

PARLIAMENT OF KENYA**THE NATIONAL ASSEMBLY****THE HANSARD****Wednesday, 25th May 2022**

The House met at 9.30 a.m.

[The Deputy Speaker (Hon. Moses Cheboi) in the Chair]

PRAYERS

QUORUM

Hon. Deputy Speaker: Hon. Members, you can obviously see that we do not have sufficient numbers. I, therefore, order that the Quorum Bell be rung for 10 minutes.

(The Quorum Bell was rung)

Hon. Members, we are about to reach the required numbers and hence we can let the Bell ring for another five minutes

(The Quorum Bell was rung)

Order Members! Member for Kiambaa, please, take your seat. Let us begin business.

CONSIDERATION OF REPORTS AND THIRD READINGS

THE MILITARY VETERANS BILL

Hon. Deputy Speaker: Order, Members, please, take your seats.

(Question proposed)

Yes, Majority whip, do you have something? Let us see what you have, Majority Whip.

*(Hon. Emmanuel Wangwe consulted with the clerks at the Table)**(Question put and agreed to)*

Let us have the Mover to move the Third Reading.

Hon. Emmanuel Wangwe (Navakholo, JP): Thank you, Hon. Deputy Speaker. I beg to move that the Military Veterans Bill (National Assembly Bill No.4 of 2022) be now read a Third Time. I also request Hon. Tong'i to second.

Hon. Deputy Speaker: Hon. Tong'i.

Hon. Richard Tong'i (Nyaribari Chache, JP): Thank you, Hon. Deputy Speaker. I second this because of the obvious facts that these men and women in uniform are the only people in this country who wake up to risk their lives for the good of the country. They don their beautiful uniform to go and put their lives on line to ensure that we transact in Parliament. They ensure that our children are going to school and that we are all safe.

I second.

Hon. Deputy Speaker: Order, Members.

(Question proposed)

(Question put and agreed to)

(The Bill was accordingly read the Third Time and passed)

THE PERSONS WITH DISABILITIES BILL

(Question proposed)

(Question put and agreed to)

Hon. Deputy Speaker: Let us have the Mover to move the Third Reading.

Hon. Emmanuel Wangwe (Navakholo, JP): Thank you, Hon. Deputy Speaker. I beg to move that the Persons with Disabilities Bill (National Assembly Bill No.61 of 2021) be now read a Third Time. I request Hon. (Dr.) Eseli to second.

Hon. (Dr.) Eseli Simiyu seconded.

Hon. Deputy Speaker: Okay, that was a bow.

(Question proposed)

(Question put and agreed to)

(The Bill was accordingly read the Third Time and passed)

MOTION

BUDGET ESTIMATES FOR 2022/2023 FINANCIAL YEAR

Hon. Deputy Speaker: Very well. The Chairman, Budget and Appropriations Committee.

Hon. Kanini Kega (Kieni, JP): Thank you very much, Hon. Deputy Speaker. Hon. Deputy Speaker, I beg to move:

THAT, this House adopts the Report of the Budget and Appropriations Committee on the Budget Estimates for the National Government, Judiciary and

Parliament for the Financial Year 2022/2023, laid on the Table of the House on Tuesday, 24th May 2022 and, pursuant to the provisions of Article 221 of the Constitution, Section 39 of the Public Finance Management Act, 2012 and Standing Order 239-

- (a) approves the issuance of a sum of Kshs2,103,838,811,446 from the Consolidated Fund to meet the expenditure during the year ending 30th June 2023 in respect of the Votes contained in the First Schedule to the Order Paper, subject to paragraph (c) (Committee of Supply);
- (b) makes the Policy and Financial Resolutions contained in the Second Schedule to the Order Paper; and,
- (c) Orders that “The Speaker do now leave the Chair” to facilitate consideration of the said Budget Estimates with respect to each Vote and Programme in the Committee of Supply, as contemplated under Standing Order 240 (Consideration of Estimates in the Committee of Supply).

FIRST SCHEDULE

VOTE CODE	VOTE/PROGRAM ME CODES & TITLE	SUBMITTED FY 2022-23 BUDGET ESTIMATES			FINAL FY 2022-23 BUDGET ESTIMATES		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1011	Executive Office of the President	17,083,926,379	5,983,070,000	23,066,996,379	17,083,926,379	5,983,070,000	23,066,996,379
	0702000 Cabinet Affairs	1,594,629,154	252,250,000	1,846,879,154	1,594,629,154	252,250,000	1,846,879,154
	0703000 Government Advisory Services	649,300,000	75,000,000	724,300,000	649,300,000	75,000,000	724,300,000
	0704000 State House Affairs	4,080,817,716	286,850,000	4,367,667,716	4,080,817,716	286,850,000	4,367,667,716
	0734000 Deputy President Services	1,690,451,519	20,400,000	1,710,851,519	1,690,451,519	20,400,000	1,710,851,519
	0745000 Nairobi Metropolitan Services	9,068,727,990	5,348,570,000	14,417,297,990	9,068,727,990	5,348,570,000	14,417,297,990
1021	State Department for Interior and Citizen Services	136,643,574,522	7,048,886,159	143,692,460,681	136,753,574,522	6,778,886,159	143,532,460,681
	0601000 Policing Services	101,121,401,128	1,655,000,000	102,776,401,128	101,321,401,128	1,795,000,000	103,116,401,128
	0603000 Government Printing Services	735,289,874	300,000,000	1,035,289,874	735,289,874	300,000,000	1,035,289,874
	0605000 Migration & Citizen Services Management	2,779,484,059	950,000,000	3,729,484,059	2,779,484,059	950,000,000	3,729,484,059
	0625000 Road Safety	2,204,400,000	520,856,159	2,725,256,159	2,304,400,000	520,856,159	2,825,256,159
	06256000 Population Management Services	3,997,392,724	1,552,000,000	5,549,392,724	4,003,392,724	1,232,000,000	5,235,392,724
	629000 General Administration and Support Services	24,817,166,737	2,021,030,000	26,838,196,737	24,551,166,737	1,881,030,000	26,432,196,737
	063000 Policy Coordination Services	988,440,000	50,000,000	1,038,440,000	1,058,440,000	100,000,000	1,158,440,000

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		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1023	State Department for Correctional Services	31,053,251,550	1,265,400,000	32,318,651,550	31,053,251,550	1,165,400,000	32,218,651,550
	0623000 General Administration, Planning and Support Services	358,002,731	15,000,000	373,002,731	358,002,731	15,000,000	373,002,731
	0627000 Prison Services	28,850,597,571	980,390,000	29,830,987,571	28,850,597,571	880,390,000	29,730,987,571
	0628000 Probation & After Care Services	1,844,651,248	270,010,000	2,114,661,248	1,844,651,248	270,010,000	2,114,661,248
1032	State Department for Devolution	1,444,910,000	297,000,000	1,741,910,000	1,444,910,000	297,000,000	1,741,910,000
	0712000 Devolution Services	1,444,910,000	297,000,000	1,741,910,000	1,444,910,000	297,000,000	1,741,910,000
1035	State Department for Development of the ASAL	1,109,230,000	9,360,193,700	10,469,423,700	1,059,230,000	9,360,193,700	10,419,423,700
	0733000 Accelerated ASAL Development	1,109,230,000	9,360,193,700	10,469,423,700	1,059,230,000	9,360,193,700	10,419,423,700
1041	Ministry of Defence	128,215,300,000	3,468,000,000	131,683,300,000	128,215,300,000	3,468,000,000	131,683,300,000
	0801000 Defence	124,969,600,000	3,468,000,000	128,437,600,000	124,969,600,000	3,468,000,000	128,437,600,000
	0802000 Civil Aid	400,000,000	-	400,000,000	400,000,000	-	400,000,000
	0803000 General Administration, Planning and Support Services	2,625,700,000	-	2,625,700,000	2,625,700,000	-	2,625,700,000
	080500000 National Space Management	220,000,000	-	220,000,000	220,000,000	-	220,000,000
1052	Ministry of Foreign Affairs	17,528,819,618	1,796,120,000	19,324,939,618	17,236,179,618	1,796,120,000	19,032,299,618
	0714000 General Administration Planning and Support Services	2,566,625,792	252,120,000	2,818,745,792	2,413,875,792	252,120,000	2,665,995,792
	0715000 Foreign Relation and Diplomacy	14,770,600,647	1,394,000,000	16,164,600,647	14,630,710,647	1,394,000,000	16,024,710,647
	0741000 Economic and Commercial Diplomacy	51,823,239	-	51,823,239	51,823,239	-	51,823,239
	0742000 Foreign Policy Research, Capacity Development and Technical Cooperation	139,769,940	150,000,000	289,769,940	139,769,940	150,000,000	289,769,940
1064	State Department for Vocational and Technical Training	19,100,500,000	5,769,822,807	24,870,322,807	19,100,500,000	5,829,822,807	24,930,322,807
	0505000 Technical Vocational Education and Training	18,860,141,625	5,769,822,807	24,629,964,432	18,860,141,625	5,829,822,807	24,689,964,432

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		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0507000 Youth Training and Development	44,855,043	-	44,855,043	44,855,043	-	44,855,043
	0508000 General Administration, Planning and Support Services	195,503,332	-	195,503,332	195,503,332	-	195,503,332
1065	State Department for University Education	102,807,278,998	7,130,716,330	109,937,995,328	102,857,278,998	6,980,716,330	109,837,995,328
	0504000 University Education	101,471,038,573	7,075,716,330	108,546,754,903	101,521,038,573	6,925,716,330	108,446,754,903
	0506000 Research, Science, Technology and Innovation	991,125,412	55,000,000	1,046,125,412	991,125,412	55,000,000	1,046,125,412
	0508000 General Administration, Planning and Support Services	345,115,013	-	345,115,013	345,115,013	-	345,115,013
1066	State Department for Early Learning & Basic Education	94,887,000,000	15,624,239,910	110,511,239,910	95,302,000,000	15,379,239,910	110,681,239,910
	0501000 Primary Education	17,977,683,260	1,934,700,000	19,912,383,260	18,392,683,260	1,889,700,000	20,282,383,260
	0502000 Secondary Education	68,516,221,630	12,893,539,910	81,409,761,540	68,516,221,630	12,893,539,910	81,409,761,540
	0503000 Quality Assurance and Standards	3,688,785,872	646,000,000	4,334,785,872	3,638,785,872	446,000,000	4,084,785,872
	0508000 General Administration, Planning and Support Services	4,704,309,238	150,000,000	4,854,309,238	4,754,309,238	150,000,000	4,904,309,238
1068	State Department for Post Training and Skills Development	283,600,000	73,000,000	356,600,000	283,600,000	73,000,000	356,600,000
	0508000 General Administration, Planning and Support Services	134,257,056	-	134,257,056	134,257,056	-	134,257,056
	0512000 Work Place Readiness Services	100,843,916	73,000,000	173,843,916	100,843,916	73,000,000	173,843,916
	0513000 Post Training Information Management	48,499,028	-	48,499,028	48,499,028	-	48,499,028
1069	State Department for Implementation of Curriculum Reforms	339,299,400	-	339,299,400	339,299,400	-	339,299,400
	0514000 Coordination of the Curriculum Reforms Implementation	339,299,400	-	339,299,400	339,299,400	-	339,299,400
1071	The National Treasury	53,745,085,913	123,789,831,325	177,534,917,238	53,845,085,913	120,551,831,325	174,396,917,238
	0203000 Rail Transport	-	30,028,000,000	30,028,000,000	-	31,928,000,000	31,928,000,000
	0204000 Marine Transport	-	2,820,638,636	2,820,638,636	-	3,120,638,636	3,120,638,636

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	0717000 General Administration Planning and Support Services	44,707,920,949	14,515,790,000	59,223,710,949	44,707,920,949	14,515,790,000	59,223,710,949
	0718000 Public Financial Management	7,461,808,918	66,832,602,689	74,294,411,607	7,561,808,918	61,394,602,689	68,956,411,607
	0719000 Economic and Financial Policy Formulation and Management	1,198,435,806	9,562,800,000	10,761,235,806	1,198,435,806	9,562,800,000	10,761,235,806
	0720000 Market Competition	302,100,000	30,000,000	332,100,000	302,100,000	30,000,000	332,100,000
	0740000 Government Clearing services	74,820,240	-	74,820,240	74,820,240	-	74,820,240
1072	State Department for Planning	3,955,480,000	45,130,640,000	49,086,120,000	3,955,480,000	45,130,640,000	49,086,120,000
	0706000 Economic Policy and National Planning	2,106,970,000	44,806,400,000	46,913,370,000	2,106,970,000	44,806,400,000	46,913,370,000
	0707000 National Statistical Information Services	1,317,620,000	228,750,000	1,546,370,000	1,317,620,000	228,750,000	1,546,370,000
	0708000 Public Investment Management Monitoring and Evaluation Services	180,300,000	95,490,000	275,790,000	180,300,000	95,490,000	275,790,000
	0709000 General Administration Planning and Support Services	350,590,000	-	350,590,000	350,590,000	-	350,590,000
1081	Ministry of Health	70,473,000,000	52,046,254,652	122,519,254,652	68,503,000,000	54,016,254,652	122,519,254,652
	0401000 Preventive, Promotive & Reproductive Health	2,184,752,720	22,870,825,152	25,055,577,872	2,184,752,720	24,370,825,152	26,555,577,872
	0402000 National Referral & Specialized Services	39,750,117,395	11,631,500,000	51,381,617,395	40,000,117,395	11,851,500,000	51,851,617,395
	0403000 Health Research and Development	10,670,000,000	1,299,000,000	11,969,000,000	10,850,000,000	1,549,000,000	12,399,000,000
	0404000 General Administration, Planning & Support Services	7,647,571,056	1,082,000,000	8,729,571,056	7,747,571,056	1,082,000,000	8,829,571,056
	0405000 Health Policy, Standards and Regulations	10,220,558,829	15,162,929,500	25,383,488,329	7,720,558,829	15,162,929,500	22,883,488,329
1091	State Department of Infrastructure	69,478,000,000	149,635,567,854	219,113,567,854	69,478,000,000	151,815,567,854	221,293,567,854
	0202000 Road Transport	69,478,000,000	149,635,567,854	219,113,567,854	69,478,000,000	151,815,567,854	221,293,567,854
1092	State Department of Transport	9,442,000,000	1,350,000,000	10,792,000,000	9,622,000,000	1,350,000,000	10,972,000,000
	0201000 General Administration, Planning and Support Services	278,000,000	430,000,000	708,000,000	278,000,000	430,000,000	708,000,000

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		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0204000 Marine Transport	798,897,488	247,000,000	1,045,897,488	798,897,488	247,000,000	1,045,897,488
	0205000 Air Transport	8,353,102,512	673,000,000	9,026,102,512	8,533,102,512	673,000,000	9,206,102,512
	0216000 Road Safety	12,000,000	-	12,000,000	12,000,000	-	12,000,000
1093	State Department for Shipping and Maritime	2,171,000,000	1,189,000,000	3,360,000,000	2,182,000,000	1,178,000,000	3,360,000,000
	0220000 Shipping and Maritime Affairs	2,171,000,000	1,189,000,000	3,360,000,000	2,182,000,000	1,178,000,000	3,360,000,000
1094	State Department for Housing and Urban Development	1,341,000,000	18,820,000,000	20,161,000,000	1,341,000,000	19,020,000,000	20,361,000,000
	0102000 Housing Development and Human Settlement	793,000,000	13,585,000,000	14,378,000,000	793,000,000	13,585,000,000	14,378,000,000
	0105000 Urban and Metropolitan Development	285,000,000	5,235,000,000	5,520,000,000	285,000,000	5,435,000,000	5,720,000,000
	0106000 General Administration Planning and Support Services	263,000,000	-	263,000,000	263,000,000	-	263,000,000
1095	State for Public Works	3,383,000,000	1,310,000,000	4,693,000,000	3,383,000,000	1,310,000,000	4,693,000,000
	0103000 Government Buildings	551,000,000	630,000,000	1,181,000,000	551,000,000	630,000,000	1,181,000,000
	0104000 Coastline Infrastructure and Pedestrian Access	173,000,000	321,000,000	494,000,000	173,000,000	321,000,000	494,000,000
	0106000 General Administration Planning and Support Services	380,000,000	14,000,000	394,000,000	380,000,000	14,000,000	394,000,000
	0218000 Regulation and Development of the Construction Industry	2,279,000,000	345,000,000	2,624,000,000	2,279,000,000	345,000,000	2,624,000,000
1108	Ministry of Environment and Forestry	10,616,000,000	4,639,800,000	15,255,800,000	10,616,000,000	4,639,800,000	15,255,800,000
	1002000 Environment Management and Protection	1,958,000,000	1,153,800,000	3,111,800,000	1,958,000,000	1,153,800,000	3,111,800,000
	1010000 General Administration, Planning and Support Services	475,200,000	-	475,200,000	475,200,000	-	475,200,000
	1012000 Meteorological Services	1,103,800,000	413,000,000	1,516,800,000	1,103,800,000	413,000,000	1,516,800,000
	1018000 Forests and Water Towers Conservation	7,079,000,000	3,073,000,000	10,152,000,000	7,079,000,000	3,073,000,000	10,152,000,000
1109	Ministry of Water, Sanitation and Irrigation	6,727,500,000	76,791,124,881	83,518,624,881	6,747,500,000	77,189,124,881	83,936,624,881

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	1001000 General Administration, Planning and Support Services	813,624,593	366,000,000	1,179,624,593	813,624,593	866,000,000	1,679,624,593
	1004000 Water Resources Management	1,779,621,575	14,250,000,000	16,029,621,575	1,779,621,575	13,580,000,000	15,359,621,575
	1017000 Water and Sewerage Infrastructure Development	3,375,788,040	42,516,124,881	45,891,912,921	3,395,788,040	42,274,124,881	45,669,912,921
	1014000 Irrigation and Land Reclamation	726,496,248	7,779,000,000	8,505,496,248	726,496,248	8,399,000,000	9,125,496,248
	1015000 Water Storage and Flood Control	-	9,822,000,000	9,822,000,000	-	10,012,000,000	10,012,000,000
	1022000 Water Harvesting and Storage for Irrigation	31,969,544	2,058,000,000	2,089,969,544	31,969,544	2,058,000,000	2,089,969,544
1112	Ministry of Lands and Physical Planning	3,196,450,000	2,731,800,000	5,928,250,000	3,306,450,000	2,621,800,000	5,928,250,000
	0101000 Land Policy and Planning	3,196,450,000	2,731,800,000	5,928,250,000	3,306,450,000	2,621,800,000	5,928,250,000
1122	State Department for Information Communication Technology & Innovation	2,268,400,000	17,105,700,000	19,374,100,000	2,268,400,000	16,985,700,000	19,254,100,000
	0207000 General Administration Planning and Support Services	356,400,000	-	356,400,000	356,400,000	-	356,400,000
	0210000 ICT Infrastructure Development	574,000,000	15,803,700,000	16,377,700,000	574,000,000	15,758,700,000	16,332,700,000
	0217000 E-Government Services	1,338,000,000	1,302,000,000	2,640,000,000	1,338,000,000	1,227,000,000	2,565,000,000
1123	State Department for Broadcasting & Telecommunications	6,690,600,000	697,000,000	7,387,600,000	6,690,600,000	817,000,000	7,507,600,000
	0207000 General Administration Planning and Support Services	228,366,801	-	228,366,801	228,366,801	-	228,366,801
	0208000 Information and Communication Services	5,267,322,738	398,000,000	5,665,322,738	5,267,322,738	398,000,000	5,665,322,738
	0209000 Mass Media Skills Development	228,000,000	110,000,000	338,000,000	228,000,000	110,000,000	338,000,000
	0221000 Film Development Services Programme	966,910,461	189,000,000	1,155,910,461	966,910,461	309,000,000	1,275,910,461
1132	State Department for Sports	1,417,950,000	16,008,000,000	17,425,950,000	1,542,950,000	15,883,000,000	17,425,950,000
	0901000 Sports	1,417,950,000	16,008,000,000	17,425,950,000	1,542,950,000	15,883,000,000	17,425,950,000

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1134	State Department for Culture and Heritage	3,094,414,367	77,500,000	3,171,914,367	3,094,414,367	77,500,000	3,171,914,367
	0902000 Culture / Heritage	1,953,040,327	47,500,000	2,000,540,327	1,953,040,327	47,500,000	2,000,540,327
	0903000 The Arts	157,088,747	-	157,088,747	157,088,747	-	157,088,747
	0904000 Library Services	793,719,005	30,000,000	823,719,005	793,719,005	30,000,000	823,719,005
	0905000 General Administration, Planning and Support Services	190,566,288	-	190,566,288	190,566,288	-	190,566,288
1152	Ministry of Energy	14,496,000,000	81,171,855,000	95,667,855,000	14,696,000,000	80,971,855,000	95,667,855,000
	0211000 General Administration Planning and Support Services	411,000,000	208,000,000	619,000,000	411,000,000	208,000,000	619,000,000
	0212000 Power Generation	2,714,000,000	17,784,000,000	20,498,000,000	2,914,000,000	17,584,000,000	20,498,000,000
	0213000 Power Transmission and Distribution	11,238,390,083	60,984,855,000	72,223,245,083	11,238,390,083	60,984,855,000	72,223,245,083
	0214000 Alternative Energy Technologies	132,609,917	2,195,000,000	2,327,609,917	132,609,917	2,195,000,000	2,327,609,917
1162	State Department for Livestock	3,480,200,000	3,757,100,000	7,237,300,000	3,590,200,000	3,617,100,000	7,207,300,000
	0112000 Livestock Resources Management and Development	3,480,200,000	3,757,100,000	7,237,300,000	3,590,200,000	3,617,100,000	7,207,300,000
1166	State Department for Fisheries, Aquaculture & the Blue Economy	2,281,630,000	8,416,770,000	10,698,400,000	2,391,630,000	8,105,770,000	10,497,400,000
	0111000 Fisheries Development and Management	1,989,646,588	6,177,206,000	8,166,852,588	2,099,646,588	5,917,206,000	8,016,852,588
	0117000 General Administration, Planning and Support Services	269,269,834	-	269,269,834	269,269,834	-	269,269,834
	0118000 Development and Coordination of the Blue Economy	22,713,578	2,239,564,000	2,262,277,578	22,713,578	2,188,564,000	2,211,277,578
1169	State Department for Crop Development & Agricultural Research	14,463,700,000	26,811,327,321	41,275,027,321	14,463,700,000	27,042,327,321	41,506,027,321
	0107000 General Administration Planning and Support Services	5,227,448,432	3,234,417,513	8,461,865,945	5,227,448,432	3,609,417,513	8,836,865,945
	0108000 Crop Development and Management	3,483,779,576	21,131,195,500	24,614,975,076	3,483,779,576	21,241,195,500	24,724,975,076
	0109000 Agribusiness and	138,940,750	1,470,714,308	1,609,655,058	138,940,750	1,216,714,308	1,355,655,058

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FIRST SCHEDULE

VOTE CODE	VOTE/PROGRAM ME CODES & TITLE	SUBMITTED FY 2022-23 BUDGET ESTIMATES			FINAL FY 2022-23 BUDGET ESTIMATES		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	Information Management						
	0120000 Agricultural Research & Development	5,613,531,242	975,000,000	6,588,531,242	5,613,531,242	975,000,000	6,588,531,242
1173	State Department for Cooperatives	1,749,700,000	592,500,000	2,342,200,000	1,839,700,000	422,500,000	2,262,200,000
	0304000 Cooperative Development and Management	1,749,700,000	592,500,000	2,342,200,000	1,839,700,000	422,500,000	2,262,200,000
1174	State Department for Trade and Enterprise Development	2,464,590,000	1,536,600,000	4,001,190,000	2,514,590,000	1,486,600,000	4,001,190,000
	0309000 Domestic Trade & Enterprise Development	562,400,830	1,436,600,000	1,999,000,830	562,400,830	1,436,600,000	1,999,000,830
	0310000 Fair Trade Practices & Compliance of Standards	498,466,913	100,000,000	598,466,913	548,466,913	50,000,000	598,466,913
	0311000 International Trade Development & Promotion	1,029,582,232	-	1,029,582,232	1,029,582,232	-	1,029,582,232
	0312000 General Administration, Planning & Support Services	374,140,025	-	374,140,025	374,140,025	-	374,140,025
1175	State Department for Industrialization	3,449,990,000	3,596,550,000	7,046,540,000	3,624,990,000	3,501,550,000	7,126,540,000
	0301000 General Administration Planning and Support Services	462,133,983	-	462,133,983	462,133,983	-	462,133,983
	0302000 Industrial Development and Investments	1,640,312,943	1,170,170,000	2,810,482,943	1,690,312,943	995,170,000	2,685,482,943
	0303000 Standards and Business Incubation	1,347,543,074	2,426,380,000	3,773,923,074	1,472,543,074	2,506,380,000	3,978,923,074
1184	Ministry of Labour	2,841,130,000	572,500,000	3,413,630,000	2,911,130,000	572,500,000	3,483,630,000
	0910000 General Administration Planning and Support Services	504,038,150	-	504,038,150	504,038,150	-	504,038,150
	0906000 Promotion of the Best Labour Practice	660,563,800	111,760,000	772,323,800	730,563,800	111,760,000	842,323,800
	0907000 Manpower Development, Employment and Productivity Management	1,676,528,050	460,740,000	2,137,268,050	1,676,528,050	460,740,000	2,137,268,050
1185	State Department for Social Protection, Senior Citizen Affairs & Special Programs	31,775,940,000	2,870,300,000	34,646,240,000	31,805,940,000	2,870,300,000	34,676,240,000

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		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0908000 Social Development and Children Services	4,222,460,844	318,800,000	4,541,260,844	4,252,460,844	318,800,000	4,571,260,844
	0909000 National Social Safety Net	27,309,559,935	2,551,500,000	29,861,059,935	27,309,559,935	2,551,500,000	29,861,059,935
	0914000 General Administration, Planning and Support Services	243,919,221	-	243,919,221	243,919,221	-	243,919,221
1194	Ministry of Petroleum and Mining	5,989,000,000	3,302,000,000	9,291,000,000	5,989,000,000	3,302,000,000	9,291,000,000
	0215000 Exploration and Distribution of Oil and Gas	87,000,000	2,910,000,000	2,997,000,000	87,000,000	2,910,000,000	2,997,000,000
	1007000 General Administration Planning and Support Services	5,573,425,590	-	5,573,425,590	5,573,425,590	-	5,573,425,590
	1009000 Mineral Resources Management	266,574,410	162,300,000	428,874,410	266,574,410	162,300,000	428,874,410
	1021000 Geological Surveys and Geoinformation Management	62,000,000	229,700,000	291,700,000	62,000,000	229,700,000	291,700,000
1202	State Department for Tourism	8,726,465,760	302,210,000	9,028,675,760	8,676,465,760	352,210,000	9,028,675,760
	0313000 Tourism Promotion & Marketing	1,012,449,971	50,200,000	1,062,649,971	962,449,971	40,200,000	1,002,649,971
	0314000 Tourism Product Development & Diversification	7,328,594,159	218,000,000	7,546,594,159	7,328,594,159	288,000,000	7,616,594,159
	0315000 General Administration, Planning and Support Services	385,421,630	34,010,000	419,431,630	385,421,630	24,010,000	409,431,630
1203	State Department for Wildlife	7,164,000,000	821,810,000	7,985,810,000	7,164,000,000	821,810,000	7,985,810,000
	1019000 Wildlife Conservation and Management	7,164,000,000	821,810,000	7,985,810,000	7,164,000,000	821,810,000	7,985,810,000
1212	State Department for Gender	1,200,350,000	2,776,000,000	3,976,350,000	1,200,350,000	2,776,000,000	3,976,350,000
	0911000 Community Development	-	2,130,000,000	2,130,000,000	-	2,130,000,000	2,130,000,000
	0912000 Gender Empowerment	874,280,310	646,000,000	1,520,280,310	874,280,310	646,000,000	1,520,280,310
	0913000 General Administration, Planning and Support Services	326,069,690	-	326,069,690	326,069,690	-	326,069,690
1213	State Department for Public Service	23,251,770,000	703,040,000	23,954,810,000	23,141,770,000	703,040,000	23,844,810,000
	0710000 Public Service Transformation	9,659,657,034	602,200,000	10,261,857,034	9,659,657,034	602,200,000	10,261,857,034
	0709000 General Administration	568,960,293	30,840,000	599,800,293	568,960,293	30,840,000	599,800,293

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VOTE CODE	VOTE/PROGRAM ME CODES & TITLE	SUBMITTED FY 2022-23 BUDGET ESTIMATES			FINAL FY 2022-23 BUDGET ESTIMATES		
		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	Planning and Support Services						
	0747000 National Youth Service	13,023,152,673	70,000,000	13,093,152,673	12,913,152,673	70,000,000	12,983,152,673
1214	State Department for Youth Affairs	1,504,330,000	1,932,790,000	3,437,120,000	1,524,330,000	1,932,790,000	3,457,120,000
	0711000 Youth Empowerment Services	498,877,777	476,690,510	975,568,287	498,877,777	476,690,510	975,568,287
	0748000 Youth Development Services	638,604,943	1,456,099,490	2,094,704,433	638,604,943	1,456,099,490	2,094,704,433
	0749000 General Administration Planning and Support Services	366,847,280	-	366,847,280	386,847,280	-	386,847,280
1221	State Department for East African Community	630,850,000	-	630,850,000	767,060,000	-	767,060,000
	0305000 East African Affairs and Regional Integration	630,850,000	-	630,850,000	767,060,000	-	767,060,000
1222	State Department for Regional & Northern Corridor Development	3,287,280,000	1,554,824,000	4,842,104,000	3,493,710,000	1,614,824,000	5,108,534,000
	1013000 Integrated Regional Development	3,287,280,000	1,554,824,000	4,842,104,000	3,493,710,000	1,614,824,000	5,108,534,000
1252	State Law Office and Department of Justice	5,144,370,000	223,500,000	5,367,870,000	5,179,370,000	223,500,000	5,402,870,000
	0606000 Legal Services	2,444,307,023	-	2,444,307,023	2,444,307,023	-	2,444,307,023
	0607000 Governance, Legal Training and Constitutional Affairs	1,897,509,186	133,500,000	2,031,009,186	1,932,509,186	133,500,000	2,066,009,186
	0609000 General Administration, Planning and Support Services	802,553,791	90,000,000	892,553,791	802,553,791	90,000,000	892,553,791
1271	Ethics and Anti-Corruption Commission	3,420,530,000	158,000,000	3,578,530,000	3,420,530,000	158,000,000	3,578,530,000
	0611000 Ethics and Anti-Corruption	3,420,530,000	158,000,000	3,578,530,000	3,420,530,000	158,000,000	3,578,530,000
1281	National Intelligence Service	46,127,700,000	-	46,127,700,000	46,127,700,000	-	46,127,700,000
	0804000 National Security Intelligence	46,127,700,000	-	46,127,700,000	46,127,700,000	-	46,127,700,000
1291	Office of the Director of Public Prosecutions	3,281,950,000	145,000,000	3,426,950,000	3,281,950,000	45,000,000	3,326,950,000
	0612000 Public Prosecution Services	3,281,950,000	145,000,000	3,426,950,000	3,281,950,000	45,000,000	3,326,950,000
1311	Office of the Registrar of Political Parties	2,076,850,000	-	2,076,850,000	2,126,850,000	-	2,126,850,000

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		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0614000 Registration, Regulation and Funding of Political Parties	2,076,850,000	-	2,076,850,000	2,126,850,000	-	2,126,850,000
1321	Witness Protection Agency	614,070,000	-	614,070,000	649,070,000	-	649,070,000
	0615000 Witness Protection	614,070,000	-	614,070,000	649,070,000	-	649,070,000
2011	Kenya National Commission on Human Rights	424,360,000	-	424,360,000	464,360,000	-	464,360,000
	0616000 Protection and Promotion of Human Rights	424,360,000	-	424,360,000	464,360,000	-	464,360,000
2021	National Land Commission	1,468,000,000	90,300,000	1,558,300,000	1,468,000,000	90,300,000	1,558,300,000
	0116000 Land Administration and Management	1,468,000,000	90,300,000	1,558,300,000	1,468,000,000	90,300,000	1,558,300,000
2031	Independent Electoral and Boundaries Commission	21,686,840,000	-	21,686,840,000	21,686,840,000	-	21,686,840,000
	0617000 Management of Electoral Processes	21,365,340,000	-	21,365,340,000	21,365,340,000	-	21,365,340,000
	0618000 Delimitation of Electoral Boundaries	321,500,000	-	321,500,000	321,500,000	-	321,500,000
2061	The Commission on Revenue Allocation	491,960,000	-	491,960,000	491,960,000	-	491,960,000
	0737000 Inter-Governmental Transfers and Financial Matters	491,960,000	-	491,960,000	491,960,000	-	491,960,000
2071	Public Service Commission	2,515,840,000	26,300,000	2,542,140,000	2,555,840,000	26,300,000	2,582,140,000
	0725000 General Administration, Planning and Support Services	876,847,613	26,300,000	903,147,613	916,847,613	26,300,000	943,147,613
	0726000 Human Resource Management and Development	1,445,674,594	-	1,445,674,594	1,445,674,594	-	1,445,674,594
	0727000 Governance and National Values	147,717,768	-	147,717,768	147,717,768	-	147,717,768
	0744000 Performance and Productivity Management	45,600,025	-	45,600,025	45,600,025	-	45,600,025
2081	Salaries and Remuneration Commission	612,500,000	-	612,500,000	612,500,000	-	612,500,000
	0728000 Salaries and Remuneration Management	612,500,000	-	612,500,000	612,500,000	-	612,500,000
2091	Teachers Service Commission	297,718,000,000	656,000,000	298,374,000,000	297,718,000,000	656,000,000	298,374,000,000

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		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
	0509000 Teacher Resource Management	289,373,311,780	600,000,000	289,973,311,780	289,373,311,780	600,000,000	289,973,311,780
	0510000 Governance and Standards	1,160,989,106	-	1,160,989,106	1,160,989,106	-	1,160,989,106
	0511000 General Administration, Planning and Support Services	7,183,699,114	56,000,000	7,239,699,114	7,183,699,114	56,000,000	7,239,699,114
2101	National Police Service Commission	1,009,250,000	-	1,009,250,000	1,029,250,000	-	1,029,250,000
	0620000 National Police Service Human Resource Management	1,009,250,000	-	1,009,250,000	1,029,250,000	-	1,029,250,000
2111	Auditor General	6,158,450,000	239,710,000	6,398,160,000	6,508,450,000	389,710,000	6,898,160,000
	0729000 Audit Services	6,158,450,000	239,710,000	6,398,160,000	6,508,450,000	389,710,000	6,898,160,000
2121	Office of the Controller of Budget	702,370,000	-	702,370,000	702,370,000	-	702,370,000
	0730000 Control and Management of Public finances	702,370,000	-	702,370,000	702,370,000	-	702,370,000
2131	Commission on Administrative Justice	724,320,000	-	724,320,000	724,320,000	-	724,320,000
	0731000 Promotion of Administrative Justice	724,320,000	-	724,320,000	724,320,000	-	724,320,000
2141	National Gender and Equality Commission	463,170,000	10,131,000	473,301,000	473,170,000	10,131,000	483,301,000
	0621000 Promotion of Gender Equality and Freedom from Discrimination	463,170,000	10,131,000	473,301,000	473,170,000	10,131,000	483,301,000
2151	Independent Policing Oversight Authority	1,004,600,000	-	1,004,600,000	1,024,600,000	-	1,024,600,000
	0622000 Policing Oversight Services	1,004,600,000	-	1,004,600,000	1,024,600,000	-	1,024,600,000
	Sub-Total: Budget Estimates for the Executive	1,322,898,626,507	711,405,784,939	2,034,304,411,446	1,323,344,626,507	711,389,784,939	2,034,734,411,446
1261	The Judiciary	16,297,400,000	2,000,000,000	18,297,400,000	16,397,400,000	1,900,000,000	18,297,400,000
	0610000 Dispensation of Justice	16,297,400,000	2,000,000,000	18,297,400,000	16,397,400,000	1,900,000,000	18,297,400,000
2051	Judicial Service Commission	587,000,000	-	587,000,000	587,000,000	-	587,000,000
	0619000 General Administration, Planning and Support Services	587,000,000	-	587,000,000	587,000,000	-	587,000,000
	Sub-Total: Budget Estimates for the Judiciary	16,884,400,000	2,000,000,000	18,884,400,000	16,984,400,000	1,900,000,000	18,884,400,000

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		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
2041	Parliamentary Service Commission	8,785,000,000	-	8,785,000,000	8,785,000,000	-	8,785,000,000
	0722000 Senate Affairs	8,785,000,000		8,785,000,000	8,785,000,000	-	8,785,000,000
2042	National Assembly	33,250,000,000	-	33,250,000,000	33,270,000,000	-	33,270,000,000
	0721000 National Legislation, Representation and Oversight	33,250,000,000		33,250,000,000	33,270,000,000	-	33,270,000,000
2043	Parliamentary Joint Services	6,120,000,000	2,065,000,000	8,185,000,000	6,100,000,000	2,065,000,000	8,165,000,000
	0723000 General Administration, Planning and Support Services	5,947,811,050	2,065,000,000	8,012,811,050	5,927,811,050	2,065,000,000	7,992,811,050
	0746000 Legislative Training Research & Knowledge Management	172,188,950		172,188,950	172,188,950	-	172,188,950
-	Sub-Total: Budget Estimates for Parliament	48,155,000,000	2,065,000,000	50,220,000,000	48,155,000,000	2,065,000,000	50,220,000,000
-	TOTAL BUDGET ESTIMATES	1,387,938,026,507	715,470,784,939	2,103,408,811,446	1,388,484,026,507	715,354,784,939	2,103,838,811,446

SECOND SCHEDULE**POLICY AND FINANCIAL RESOLUTIONS RELATING TO THE ANNUAL ESTIMATES FOR FY 2022/2023****A. POLICY RESOLUTIONS**

- (i) THAT, the execution of the Budget for Financial Year 2022/2023 shall strictly adhere to the set debt limit set under section 50(2) of the Public Finance Management Act, 2012 and Regulation 26 (1) of the Public Finance Management (National Government) Regulations, 2015;
- (ii) THAT, within the next financial year and due to cases of government agencies owing huge pending bills to other government agencies, the National Treasury puts in place a policy to ensure that pending bills owed by one government agency to another, are fully settled;
- (iii) THAT, the National Treasury enhances tax incentives for electrical and gas powered vehicles as well as their spare parts including development of requisite infrastructure in order to incentivize adoption and usage of such vehicles;
- (iv) THAT, by 30th of April each year, the Sports Fund Oversight Board submits a list of projects to be funded under the Sports, Arts and Social Development Fund to Parliament for consideration so as to enhance Parliament's role in the oversight of the Fund. Further, no new projects shall be introduced for funding under the Sports Fund within the year after enactment of an Appropriations Act;

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- (v) THAT, due to the opaqueness in the administration of Public Funds created under section 24 of the Public Finance Management Act, 2012, the National Assembly discourages the formation of new earmarked public funds. Further, a thorough review of the administration and use of resources from existing Funds be undertaken by the National Treasury and a report be submitted to Parliament within the next financial year;
- (vi) THAT, the National Treasury, in collaboration with the Ministry of Health and the Council of Governors, develops a funding framework for post-graduate trainees (registrars) seconded to referral hospitals (level 6) for specialized training. The Ministry of Health spearheads this process and submits a report to the House by the end of the first quarter of the next financial year (2022/2023);
- (vii) THAT, before commencement of implementation of the 2022-2023 Budget, the National Treasury transfers resources on administrative costs related to the programme, 'Human Resource Management on Technical and Vocation Education Training' from the Teachers' Service Commission to the Public Service Commission; and,
- (viii) THAT, by 31st March 2023, the Office of the Auditor General undertakes a special audit on the Ksh. 1.9 billion pending bills payment request by the Independent Electoral and Boundaries Commission (IEBC), noting that Kshs. 1.4 billion is for legal fees and Kshs 0.53 billion is payment for non-legal supplies and services.

B. FINANCIAL OBSERVATION AND RESOLUTIONS

- (i) THAT, the House notes that the Budget and Appropriations Committee received substantial additional requests from Departmental Committees amounting to Ksh. 115 billion to meet various expenditure shortfalls. Despite their importance, most of the requests could not be accommodated within the Budget Estimates for financial year 2022/2023 due to prevailing resource constraints and the need to contain the fiscal deficit within a certain limit;
- (ii) THAT, Ksh.1.2 billion be set aside to fund projects arising from public hearings. This expenditure should be domiciled under the specific ministries. The list of projects is to be availed before enactment of the Appropriations Act, 2022;
- (iii) THAT, a reduction of Ksh. 21.776 billion be effected from the votes and programmes as specified in the First Schedule to the Order Paper; and,
- (iv) THAT, the amount of Ksh. 22.206 billion be increased to the votes and programmes as specified in the First Schedule to the Order Paper.

Hon. Speaker, Article 221 of the Constitution of Kenya, Section 39 of the Public Finance Management (PFM) Act and Standing Order No.235(5) mandates the Budget and Appropriations Committee to discuss and review the estimates of revenue and expenditure and to table a report to this House for consideration and adoption. It is, therefore, my pleasure, on behalf of the Budget and Appropriations Committee, to present to this House the Report of the Estimates of Revenue and Expenditure for the 2022/2023 Financial Year and the Medium-Term for the Executive, Parliament and the Judiciary.

In adherence to Section 37(2) of the PFM Act, the National Treasury submitted the 2022/2023 Budget Estimates to Parliament on 7th April 2022. Equally, the Parliamentary Service Commission and the Judiciary independently submitted their budget estimates in line with Article 127(6)(c) and Article 173(3) of the Constitution, respectively.

Pursuant to Article 221(4) of the Constitution, the budget estimates were committed to the Budget and Appropriations Committee, as well as departmental committees of the National Assembly for review, in line with their respective mandates. After reviewing the budgets of the various ministries, departments and agencies within their purview, departmental committees submitted their recommendations to the Budget and Appropriations Committee for consideration and inclusion in this Report.

In processing the 2022/2023 Estimates, the Committee held 10 meetings including five with the chairpersons of the various departmental committees and two meetings with the National Treasury where extensive deliberations were held. The consultative forums with departmental committees gave a clear picture of issues at the sectoral level and was instrumental in highlighting significant policy and financial recommendations on the budgets of the various ministries, departments and agencies within their purview. The outcome of these deliberations has informed the various recommendations which are contained in this Report. Further, the recommendations of the departmental committees are part of this Report as Annexes 1 and 2.

In line with its mandate, the Budget and Appropriations Committee held discussions with the Parliamentary Service Commission and the Office of the Auditor-General to critically review their budget estimates.

The role and place of public participation is well elaborated under Article 221(5) of the Constitution, which requires the Budget and Appropriations Committee to seek the views of the public on the budget and take their recommendations into account when finalising this Report. The Committee requested for the views of the public through written memorandum highlighting their areas of concern and key expenditure priorities.

The total budget for the 2022/2023 Financial Year is Kshs3,045.21 trillion. This comprises of Kshs1,387.9 trillion for recurrent expenditure, Kshs715.5 billion for development expenditure, Kshs869 billion for Consolidated Fund Services, Kshs370 billion for the County Equitable Share and principal debt redemptions amounting to Kshs702.5 billion.

The Committee has noted that over the last three years, the share of sectoral allocations has remained within the same range with very minor changes. Three sectors account for 61.5 per cent of the total ministerial expenditure for the 2022/2023 Financial Year. These are the education sector with 25.9 per cent, energy, infrastructure and information communication and telecommunication (ICT) sector, which is taking 18.5 per cent, and public administration and international relations which is taking 17.1 per cent.

The overall Consolidated Fund Services (CFS) expenditure for the 2022/2023 Financial Year is projected to amount to Kshs1.570 billion. This is an increase of Kshs262.3 billion or around 20 per cent from the 2021/2022 CFS budget. The Committee observed that CFS expenditure is the largest component of the budget. Since the CFS constitutes mandatory expenditure items such as debt servicing expenditure and pension payments, its expansion reduces budget flexibility.

The National Treasury projects that the total revenue collection for 2022/2023 Financial Year will amount to Kshs2.48 trillion, of which ordinary revenue is estimated at Kshs2.142 trillion. This revenue projection is approximately Kshs289 million higher than the expected total revenue collection of Kshs2.191 trillion in the 2021/2022 Financial Year.

The Committee noted that the projected Appropriations-in-Aid collection has been adjusted upwards from the approved Budget Policy Statement level by Kshs16 billion. This is attributed to expected higher collection of the Road Maintenance Levy, fees charged by universities, the Petroleum Development Levy (PDL) and betting.

The Committee further noted that during the processing of the Budget Policy Statement, the National Treasury had indicated that it was in the process of finalising a Medium-Term Revenue Strategy (MTRS) that was supposed to provide the pathway for strengthening revenue mobilisation and reinforcing the fiscal consolidation plan. However, the MTRS is yet to be submitted to Parliament and as such, the revenue-enhancing measures still remain unclear.

The 2022/2023 Budget has been prepared at a time when the economy is facing significant internal and external challenges. These include macroeconomic challenges stemming from rising inflationary pressures and a depreciating exchange rate, as well as constrained fiscal space as the Government continues to meet its debt obligations amidst significant expenditure pressures.

The country is experiencing the effects of a fourth consecutive below-average rainfall season which has adversely affected crop and livestock production and is estimated to have rendered approximately 3.1 million Kenyans food insecure as at February 2022. The Committee notes with concern that the Budget Estimates have not adequately prioritised drought mitigation measures including provision of relief food.

Externally, the Russia-Ukraine conflict poses a potential economic threat. Russia is a key importer of Kenyan horticultural products and a major global supplier of fertiliser, wheat, steel, among other commodities. The disruption in the global supply chain and the impact of the geopolitical dynamics may, therefore, have a bearing on the performance of the Kenyan economy.

The Committee is concerned that there is a potential deviation from the original benchmark agreed upon under the International Monetary Fund (IMF) Extended Credit Facility (ECF) and Extended Fund Facility (EFF) programmes. The estimates and expenditure profile in the proposed budget is not consistent with the fiscal path agreed upon under the programme. The Committee acknowledged the enormous challenge of remaining on a fiscal consolidation path given the prevailing economic challenges that require fiscal support, such as subsidy in the energy sector and support to State-owned enterprises. However, it is important for the National Treasury to ensure that the fiscal deficit remains within the limits approved by Parliament, thereby providing a sound platform of operation for the next policy discourse under the new Government.

The 2022/2023 Budget Estimates are pegged on a Gross Domestic Product (GDP) growth rate of 6.0 per cent in 2022, and 6.1 per cent over the medium-term. The expected key drivers of this growth include a stable macroeconomic environment, favourable weather conditions to support agricultural output, continued recovery in industry and services and growth in private consumption. The growth outlook will further be reinforced by the ongoing implementation of the strategic priorities of the Government in the Medium-Term Plan (MTP) III, the Big Four Agenda, the Economic Recovery Strategy and the Economic Stimulus Programme.

The Committee noted with concern that the projected growth is based on weak fundamentals. The assumption of favourable weather conditions at a time when the country is facing its fourth consecutive rainfall shortfall is unrealistic. The impact of this particular dry spell on food security and agro-processing is especially significant due to the cumulative effect of the three previous failed rain seasons. Indeed, the Committee observed that even if weather conditions were favourable, the rising cost and limited availability of agricultural inputs, including fertiliser and seeds, pose a downside risk to agricultural performance.

The assumption of macroeconomic stability is facing headwinds from the rising cost of basic commodities. These include food items such as cooking oil, maize flour, milk, bread, fruits and vegetables. Fuel prices as well as prices of industrial raw materials have also increased significantly due to the disruption of global supply chains. As a result, the cost of production is

expected to be higher. Further, depreciation of the Kenya Shilling against major currencies is also a risk to macroeconomic stability.

The Committee further noted that this being an election year, election related uncertainties could subdue foreign exchange earnings from tourism, exports and foreign direct investments (FDIs) as investors await the policy direction of the next Government. This will have a bearing on foreign exchange reserves and the exchange rate, as the demand for the US\$ outstrips supply. In view of the above downside risks, the Committee's considered opinion is that these risks pose uncertainty about achieving the projected economic growth rate.

Through review and consideration of the Budget Estimates for the Financial Year 2022/2023, the Committee has made various financial and non-financial recommendations which are contained in the Report and once approved by this House, will be expected to be implemented.

In conclusion, I wish to request the House to adopt the recommendations which, if time allows, I would like to highlight just a few. I will start with the non-financial recommendations.

- i. That, the execution of the Budget for 2022/2023 shall strictly adhere to the set debt limit underpinned by Section 50(2) and the Public Finance Management (National Government) Regulations 26 (1).
- ii. That, due to cases of Government agencies owing huge pending bills to other Government agencies, within the next financial year, the National Treasury should put in place a policy to ensure that pending bills owed by one Government agency to another are fully settled.
- iii. That, the National Treasury should enhance tax incentives for electrical and gas-powered vehicles as well as their spare parts, including development of requisite infrastructure in order to incentivise adoption and usage of such vehicles.
- iv. That, to enhance Parliament's role in the oversight of the Sports, Arts and Social Development Fund, the Sports Fund Oversight Board should present a list of projects to be funded by the Fund to Parliament for consideration by 30th of April each year. Further, no new projects shall be introduced for funding under the Sports Fund within the year after enactment of the Appropriations Act. This is because we have seen quite a number of projects that are being undertaken through the Sports Fund that do not pass through Parliament.
- v. That, due to the opaqueness in the administration of public funds created under Section 24 of the PFM Act, the National Assembly discourages the formation of new earmarked public funds. Further, a thorough review of the administration and use of resources from all existing public funds should be undertaken by the National Treasury and a report be submitted to Parliament within the next financial year.
- vi. That, the National Treasury, in collaboration with the Ministry of Health and the Council of Governors, develops a funding framework for post-graduate trainees (registrars) seconded to referral hospitals (level 6) for specialised training. The Ministry of Health should spearhead this process and submit a report to the House by the end of the first quarter of the next financial year.
- vii. That, before commencement of implementation of the 2022/2023 Budget, the National Treasury transfers resources on administrative costs related to the programme, 'Human Resource Management on Technical and Vocation Education Training' from the Teachers Service Commission (TSC) to the Public Service Commission (PSC).

viii. That, by 31st March 2023, the Office of the Auditor-General undertakes a special audit of all the pending bills before they are paid.

Hon. Deputy Speaker, specifically non-financial recommendations relating to various ministries, departments and agencies (MDAs) are contained in Annex 1 of the Report that we have submitted.

In conclusion, I wish to request the House to approve the Report and the recommendations of the Budget and Appropriation Committee on the Budget Estimates for the national Government, Judiciary and Parliament, for the Financial Year 2022/2023. I request the Majority Whip, Hon. Wangwe, to Second.

Thank you, Hon. Deputy Speaker

Hon. Deputy Speaker: Very well. Hon. Emmanuel Wangwe?

Hon. Emmanuel Wangwe (Navakholo, JP): Thank you, Hon. Deputy Speaker. I rise to second and really thank the Chair of the Budget and Appropriations Committee, Hon. Kanini Kega, for the Report he has highlighted to the House and to Kenyans at large.

I wish to just mention a few salient issues that are identical in the Budget. We are realising about Kshs2.1 trillion in terms of revenue, which is impressive. About Kshs1.3 billion is going to recurrent expenditure, and there is a saving of Kshs715 billion which is going to development. At the same time, we are leaving it to the Government to explore the Consolidated Fund with a huge figure of Kshs869 billion, which is good enough to allow the Executive flexibility to carry on with its mandate.

We have also retained a good figure for the county governments at Kshs370 billion, which is the equitable share of revenue as it is indicated. This means the Budget is balanced and it mirrors the Budget Policy Statement that we passed in the House.

I would also like to highlight for the House the reflection of the percentages to various Ministries. I am impressed that the National Treasury is considering a good 25.9 per cent, especially towards the education sector.

If you want to grow a country, you have to educate the population that is forthcoming. If 25.9 per cent is as per what the Committee on Education, Research and Technology brought to us during the budget-making process, and we went through it, it is a good indication that the country is moving forward and we are going to educate our young population.

There is also the impressive figure of 17 per cent which is going to the Ministry of Interior and Coordination of National Government. This means we are going to be secure. Our Government is going to run the Ministry of Interior and Coordination of National Government.

I note the shift in revenue estimates of Kshs2.142 billion against Kshs1.8 billion. The Kenya Revenue Authority (KRA) has been growing impressively. It is able to attain its targets and move on. With that figure, the National Treasury has projected the total revenue to be collected in the next financial year at Kshs2.1 trillion, which is an upward shift from the revenue target of Kshs1.8 trillion in the previous year.

Hon. Deputy Speaker, another issue I would like to highlight is the situational issue in the overall macro-economics in the country. This Budget has been prepared at a time when we have the Russia-Ukraine conflict that is going on. It is a war that, although it is many miles away, it is affecting us. This is because Russia is a key supplier of fertiliser and a consumer of our tea. Any kind of interruption in the supply chain will definitely have a big effect on our economy. We are, therefore, likely to experience inflationary pressures and depreciating exchange rates. We cannot realise a positive exchange rate against the US Dollar since we cannot realise the exports that are

supposed to match such a shift. It is, therefore, important that all Kenyans are made aware of the situation which is beyond our control. That is the situation that has put us in this kind of position.

The other issue I would like to highlight is on natural phenomena. We are all aware that we are experiencing unpredictable weather patterns – a phenomenon which is affecting the issues of rainfall. As we know, Kenya's economy is agriculture based. A shift in the rainfall pattern affects both production of vegetation and livestock. Today, almost three-quarters of the entire Northern Kenya is suffering from lack of rainfall and severe drought. What can we do about it?

In the Budget, the Cabinet Secretary has not come out clearly on how he is going to address the issue of drought. Instead, he is leaving it as part of the Consolidated Fund. I hope in the future, the Cabinet Secretary will deliver a Budget that is explicit in terms of dealing with the situation, which is visible, so that Members from the Northern Kenya region do not look at the Budget from the perspective of funds that are part of the Consolidated Fund. Let the Consolidated Fund provide for issues which are not explicit like what we are not able to predict in the future.

There is also the issue of oil in the Budget. The challenges that are facing the fuel supply at large are key. When the Government pays money for importation of fuel and stabilisation of fuel prices, the effect of that action trickles down to every sector of the economy, including transport, manufacturing and health. These areas are eventually affected when the prices of fuel go up. This Budget, therefore, is good because it is sensitive to the likely rise of prices in the country.

As I conclude my seconding, I also wish to look at the issue of pending bills. The National Treasury has not explicitly addressed the issue of pending bills. If you do not pay the Government's suppliers, they will deliver goods at a higher price because they do not know when they are going to be paid. Most of the suppliers have had their pending bills kept at the National Treasury for as long as ten years. This is a key issue which I feel the next House should be able to look at as a mandatory rule that shall push the National Treasury to pay suppliers of the various Government Ministries and agencies for the goods and services they have supplied or rendered, so that Kenyans can receive value for their money as well as for their supplies.

With those few highlights, I beg to second.

(Question proposed)

Hon. Deputy Speaker: Hon. Members, as per the resolution that you made early this year, every Member will be speaking for five minutes. We will start with Hon. Dawood Rahim, the Member for North Imenti.

Hon. Rahim Dawood (North Imenti, JP): Thank you, Hon. Deputy Speaker. I want to join and support my colleague, the Chairman of the Budget and Appropriations Committee, but with a few variations.

We cannot have budgets being prepared when things are different on the ground. The Chairman has read the Budget Estimates. He says that the Budget is balanced according to what the Cabinet Secretary presented in the Budget Policy Statement – a Kshs3 trillion Budget.

Hon. Deputy Speaker, when we have a Kshs3 trillion Budget, 30 per cent of it should go to development. Unfortunately, it is only Kshs700 billion that has been set aside for development. This is less than 30 per cent of the total Budget.

The debt that is going to be paid in the next financial year is in excess of Kshs700 billion. If that debt is factored in the Budget, we will definitely break the ceiling of Kshs9 trillion debts as approved by this Parliament.

Hon. Deputy Speaker, at the end of the day, what has been read as the Budget may not balance. That, notwithstanding, the Government needs to look at how it is going to work on the infrastructure funding. There are very many incomplete roads in this country because contractors have not been paid. We needed the infrastructure bond that has been in the pipeline for the last two to three years. Apparently, the Cabinet Secretary for the Ministry of Finance and Planning, Amb. Ukur Yatani, cannot take that into account. We need to finish all the roads and pay all the suppliers because they will not finish their work if they are not paid.

Hon. Deputy Speaker, we need to allocate money to electricity and put up transformers. We need to help Kenya Power and Lighting Company (KPLC), Kenya Electricity Generating Company (KenGen) and Rural Electrification and Renewable Energy Corporation (REREC) to provide electricity. We also need money allocated to the Ministry of Water, Sanitation and Irrigation. Apparently, even the Ministry of Agriculture, Livestock, Fisheries and Cooperatives – which is the backbone of this country – is not getting enough money. We are surprised that so much money goes to the military even when we are not at war. We need to get our priorities right. We need to take drought mitigation measures seriously. That is because we are yet to state what we are doing about the drought and yet, the people are still losing their livestock. We should put aside some funds for that.

We established the Equalisation Fund in 2014, which is supposed to be shared out according to districts or locations. To date, the Equalisation Fund has just been allocated money but nothing has been distributed.

We agreed to bail out Kenya Airways, but we need to know how long we are going to bail out Kenya Airways. That is using good money to chase bad. We now need to put people who cannot deliver on the spot and ensure that we have those that can deliver. Otherwise, we will not get anything done.

I am glad that the Chairman has talked about the Kenya Revenue Authority (KRA) doing a good job under the chairmanship of Amb. Dr. Francis Muthaura, and the Commissioner-General. However, we need to reduce taxes so that people who have suffered during the COVID-19 times can feel compensated and encouraged. That is because we cannot be a country where the citizenry pays taxes but does not receive services. We need to sort out our issues.

Lastly, I hope all the presidential candidates can tell us how they are going to reduce the country's debt. We need to fight corruption. The Director of Criminal Investigations (DCI), Mr. George Kinoti; the Director of Public Prosecutions, Mr. Noordin Haji, and the Ethics and Anti-Corruption Commission (EACC) are doing a good job. We need to give them more money in order to, at least, get the corrupt out of the system.

Hon. Deputy Speaker: Your time is over. Let us now have Hon. Atandi.

Hon. Samuel Atandi (Alego Usonga, ODM): Thank you, Hon. Deputy Speaker, for giving me the opportunity. I want to say that this Budget has been framed under very difficult macro-economic environment. You are aware that this is the year we are conducting elections. When we conduct elections, players in the private sector tend to withhold investments awaiting the outcome of the elections. This is likely to affect the revenue projections that have been put in the Budget.

There is a lot of pressure on the revenues because even though we acknowledge that KRA has been meeting its objectives, my view is that the target that has been set for KRA, and going by the size of this economy, KRA should project upwards to raise a sum of Kshs.2.5 trillion in this Financial Year. However, this is not possible because the Government is not investing substantial resources in the sectors that are supposed to promote the economy. For instance, we are in the economic master-plan of this Government and there is the talk that the manufacturing sector is

supposed to contribute substantially in the expansion of the economy. However, looking at the budget allocation on energy, and precisely on electricity, there is very little that has been allocated to ensure that the price of electricity comes down. We cannot be able to expand the manufacturing sector if we do not manage the cost of electricity. Most of the manufacturers are moving to our neighbouring countries because of the cost of electricity. I think in future we need to have more resources allocated to manage the cost of electricity.

The Government needs to focus on growing rural economies. How much money are we investing to promote the development of rural economies? If you go to the villages in our counties, there is nothing going on there apart from consumption. So, in order to help this economy to expand substantially, we need to raise more resources and create jobs for our people. The Budget must put more resources in the villages to grow small-scale farmers, people who have set up companies and, ultimately, to industrialise the villages. This is something that this Parliament needs to take note of.

I also know that the Government has put in so much resource on infrastructure such that the projects that are going on are connecting cities and towns. But the rural infrastructure has received zero resources. There are less tarmacked roads in the villages and the interior because majorly, the tarmacked roads we are seeing are in the cities and towns. If we want to help in managing rural-urban migration by taking people from Nairobi or the slums to the villages, then we have to put more resources in the rural roads and infrastructure.

Hon. Deputy Speaker, I am grateful because for the very first time in the national Budget, we have an allocation for Gumbe Airstrip in my constituency. This is an airstrip which serves almost four counties in the western region. I am happy that in this Budget, we have an allocation of Kshs50 million for the improvement of the airstrip so that it can serve that region. I am hopeful that, in future, we will have more allocations, especially to other airstrips in the region so that we can enhance air transport across the counties. Air transport has become so important that addressing emergencies is made possible, if we have all the airstrips working.

Lastly, we must be real as Parliament when preparing our Budget. Let us invest resources in areas that will have an impact on the lives of ordinary people.

Hon. Deputy Speaker: I am sorry, Hon. Atandi. Your time is over. You have had very good contributions but there is nothing we can do. It is about the timing. Hon. Ng'eno would be speaking next, but he has informed me that he wants to look at this document in detail. In the meantime, let us go to the next Member, Hon. (Dr.) Nyikal; the Member for Seme.

Hon. (Dr.) James Nyikal (Seme, ODM): Thank you, Hon. Deputy Speaker for giving me this opportunity. As I support this Report, I want to comment on two major issues. The first one is about the huge Budget where we are drawing Kshs2.1 trillion from the Consolidated Fund while the whole Budget is actually about Kshs3 trillion. As we know, out of the Kshs3 trillion, only Kshs370 billion is going to the counties. That means a large amount of money still goes to Ministries, whose major functions have already been devolved. Examples of such functions include water, agriculture and health. For instance, the health sector is going to receive about Kshs122 billion, which is almost a third of what all the counties are getting. So, what the counties will give to health will not be as much as what remains at the headquarters. Therefore, it is important for the Inter-governmental Relations Technical Committee (IGRTC) to be strengthened and made flexible, so that some of this money can be used at the county level to offer services to the people. The Inter-governmental Budget and Economic Council (IBEC) should work hard during the processing of the Budget Policy Statement (BPS) so that we can know the needs of the

counties and allocate them more money, and not just the 15 per cent that is provided for in the Constitution.

I also note that a big portion of this Budget is in the Consolidated Fund Services and this is mainly debts. We should ask ourselves if the loans we are paying are productive and the economy is paying them or Kenyans have to work harder to pay for loans which are not serving them. Therefore, we need to adhere to the set debt limit as per the policy resolutions in the Second Schedule. I must thank the Chair of the Committee for this resolution, which must be adhered to.

On the issue of pending bills, Government to Government bills should be sorted out. The major issue with pending bills is lack of proper planning by the MDAs and irregularities of the Exchequer release. These two need to be looked into so that we can address the issue of pending bills. I cannot agree more with the issue of the Sports Fund. Projects in this Fund must come through Parliament and then be implemented only as approved. Unless we do this, it will provide an avenue where funds will be spent outside the approval of Parliament. So, this is something we should look into.

I am particularly concerned about the funding programme for post-graduate education. Again, I must thank the Committee for this recommendation. The national Treasury in collaboration with the Ministry of Health and the Council of Governors (CoG) should develop a funding programme for post graduate trainees seconded to referral hospitals. In our country, it is a shame that many doctors are working as trainees and yet, they are not. At post-graduate level, they should be the people running services in the referral hospitals.

We are in a situation where many of them are not paid and this is totally unacceptable. The other lot working in referral hospitals is being paid by the county governments. This is unfair and as recommended, there should be a programme which will ensure that doctors in training and working in referral hospitals are paid by the national Government. This will relieve the county governments of this burden. They should use the money saved to provide services and employ more doctors at the county level.

Hon. Deputy Speaker, with that, I support this Report.

Hon. Deputy Speaker: Hon. Ng'eno, are you through or you want me to give you another two to three minutes?

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): Thank you, Hon. Deputy Speaker. Of course, you are not a madam but a mister. I do not know where Kanini Kega is getting those fishy ideas from.

I wish to make my statement to this Motion on the last Budget by the Jubilee Government, which has fleeced all the coins from the pockets of the citizens of this country. It has also rocked every corner of this country with corruption. This is their last Budget that I am seeing in this House before the next Government takes over. People must understand that as Members of Parliament...

Hon. Deputy Speaker: Hon. King'ola is on a point of order.

Hon. Patrick Makau (Mavoko, WDM-K): Thank you, Hon. Deputy Speaker. Listening to the Member speaking, I do not think he is in order to imagine or contemplate that this Budget is not properly prepared. The reason why I rose on a point of order is to give clarity on some of the issues Members are raising concerning the Sports Fund.

Hon. Deputy Speaker: Concerning what?

Hon. Patrick Makau (Mavoko, WDM-K): The Sports Fund.

Hon. Deputy Speaker: Hon. Patrick, let him finish then I will give you an opportunity to debate and raise the issues you have. You will also use that opportunity to clarify the same.

Hon. Samuel Atandi (Alego-Usonga, ODM): On a point of order, Hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Atandi, I will give you an opportunity. Relax, Hon. Ng'eno. You will have your time.

Hon. Samuel Atandi (Alego-Usonga, ODM): On a point of order, Hon. Deputy Speaker. Is Hon. Ng'eno in order to insinuate that the Government has robbed its citizens and yet, he knows very well that he belongs to a political camp led by somebody who is the most corrupt person in the country? Is he in order?

Hon. Deputy Speaker: Now, that does not help much. We are now getting into issues that are not relevant to the Estimates. Let us go straight to the point. Hon. Ng'eno, proceed. You have your time.

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): Hon. Deputy Speaker, I used to read in books that love is blind. Surely, this Hon. Member is making that statement true. When the former Prime Minister fell in love with the current President of the Republic of Kenya, they became so blind that they did not see how corrupt this Government has become.

(Loud consultations)

This is my statement. You made yours and finished your points.

Hon. (Prof.) Jacqueline Oduol (Nominated, ODM): On a point of order, Hon. Deputy Speaker.

Hon. Deputy Speaker: What is your point of order, Hon. Prof. Oduol? Going straight to the Estimates without a lot of politics will save a lot of time and avoid unnecessary points of interventions.

Hon. (Prof.) Jacqueline Oduol (Nominated, ODM): On a point of order, Hon. Deputy Speaker. The Hon. Member is aware of the Standing Orders' requirement not to cast aspersions to those who cannot defend themselves. He is diverting the discussion on this very important budgetary issue and drawing in issues of the former Prime Minister. Is he in order? As we discuss this matter, we need to seriously continue observing the Standing Orders.

Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: I agree with you. Let us have the Chair of the Budget and Appropriations Committee because I can see he has another issue.

Hon. Kanini Kega (Kieni, JP): Thank you, Hon. Deputy Speaker. I have been magnanimous and donated my notes to my good friend, Hon. Ng'eno. Yet, all those things he is talking about are not in my notes. I do not understand what he was reading. So, I seek your indulgence that he sticks to the notes I generously gave him.

Hon. Deputy Speaker: Hon. Chair, are you saying there is some plagiarism effect or the notes are concocted to look different? Hon. Members, on a more serious note, we can very well debate with facts without having to cast aspersions so that the debate can be smooth. Hon. Ng'eno, it is unnecessary to lose minutes. Please, stick to the Budget Estimates and forget those other things because they are not easy to prove here. If you have real serious facts, you can table them through the normal process after giving good notice. Let us go on with the debate on the Budget Estimates. You have had your time. If you were speaking to the gallery, they have heard. Now, proceed to speak on the Budget Estimates.

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): Hon. Deputy Speaker, I was interrupted by the Members. It is not in my preserve to talk about other people. It was the Members who interrupted me. For clarity purposes...

Hon. Deputy Speaker: Just proceed.

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): For clarity purposes, I just want to say that I meant to fall in political love. I did not mean otherwise.

I also wish to state that I never meant that the Members of that Committee who made this Budget made a mistake. I was referring to the Government of Kenya, not you as a Member of Parliament. I said this is the last Budget that we are making for the Jubilee Administration, which is leaving power in the next one-and-half months. It is a Government that has robbed this country and fleeced the citizens of this country. If you are not aware, we are paying money in debts unlike any other country in this world. We are paying billions and trillions of shillings in form of debts which was borrowed by the Jubilee Government.

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

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): Hon. Deputy Speaker, I do not wish to be interrupted because I will not regain my minutes if they are taken by Members.

Hon. Deputy Speaker: Let us have Hon. Gladys Wanga.

Hon. (Ms.) Gladys Wanga (Homa Bay CWR, ODM): Thank you, Hon. Deputy Speaker. Is the Member for Emurua Dikirr in order to call and accuse this Government of robbing Kenyans and yet, his very own party leader is the biggest robber within that Government? If we are to look for the robber in Government, it is Deputy President William Ruto. He should speak about the real robber, who is the Deputy President of the Republic of Kenya because of Arror and Kimwarer Dams scandals. That is the robbery that we must...

Hon. Deputy Speaker: Order, Hon. Members! It is very important for Members not to digress. When I last checked, I thought that the Hon. Member for Emurua Dikirr has a party leader called Gideon Moi and not Deputy President William Ruto. He is a Member on a KANU ticket. Hon. Members...

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): ... (*Spoke off-record*)

Hon. Deputy Speaker: I am tempted to give an opportunity to Hon. Jimmy Angwenyi by virtue of seniority. Let me give him a chance.

Hon. Jimmy Angwenyi (Kitutu Chache North, JP): Hon. Deputy Speaker.

Hon. Deputy Speaker: What is it, Hon. Jimmy Angwenyi?

Hon. Jimmy Angwenyi (Kitutu Chache North, JP): Hon. *Tangatanga wa kutangatanga kwa maparties anaitwa Johana Ng'eno Tangatanga* because he has moved from the Jubilee Party to KANU and then to the United Democratic Alliance (UDA). He has now moved out of UDA because he is criticising the Government owned by the leader of UDA. I request the Member of Parliament to withdraw the statement calling our Government, a Government of robbers. We are not robbers.

Hon. Deputy Speaker: Before we proceed, Hon. Members, on a serious note, the issue of the Budget is extremely important. What is it, Hon. Wangwe?

Hon. Emmanuel Wangwe (Navakholo, JP): Thank you, Hon. Deputy Speaker. It is important that Members be made aware that this is still a full House until it adjourns *sine die*. I wish to refer you to Standing Order No.91. For avoidance of doubt, it states that a Member shall be responsible for the accuracy of the facts which the Member alleges to be true and may be required to substantiate any such facts instantly."

Therefore, I wish to request the Member for Emurua Dikirr that he substantiates on who the corrupt person in the Government is. Who is this corrupt person in the Government? What is he calling a corrupt Government? I also wish to ask that he also clarifies whether corruption can also extend to a Member who has been robbed of his nomination in that particular party.

Hon. Deputy Speaker: Hon. Ng'eno, you have three minutes to contribute. You had contributed for two minutes. I have managed to save some minutes for you.

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): I had not contributed for two minutes. These people have robbed me of my time.

Hon. Deputy Speaker: Hon. Ng'eno, you have the Floor. This is an extremely serious matter. It is good for Members to contribute. Just contribute to this and we can deal with those other issues in other fora. We have many other fora. Let us proceed.

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): *Bwana Naibu Spika, wacha hata nizingumze kwa Kiswahili.*

Hon. Deputy Speaker: No! You cannot change language half way.

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): Hon. Deputy Speaker, when I say that this Government has robbed Kenyans, that includes those I represent in this House. I am not referring to any Member here. If you cannot see that the Government has robbed you, keep quiet. I am talking on behalf of the people of Emurua Dikirr, who have been robbed of billions of shillings. You cannot censor me. It is my time to speak.

Hon. Deputy Speaker: I want you to stick to this. Let us not make...

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): ... *(Spoke off-record)*

Hon. Deputy Speaker: Order, Hon. Ng'eno. I will not allow you to proceed in that manner. I will not. Hon. Ng'eno, you must be respectful. There are many allegations. What is your point of order, Hon. Onyonka?

Hon. Richard Onyonka (Kitutu Chache South, FORD-K): Thank you, Hon. Deputy Speaker. I would like Hon. Ng'eno to know that, with all due respect, many of us have been in this House for quite a while. If you look at the Public Gallery, you will see young people sitting there, looking and listening to us. Our country is the way it is because of the way we behave in this House. I have no problem with you raising issues about what you feel is a problem. I am not a Member of the Jubilee Party. So, I am not here to defend it. For you to turn around and make every speech you utter about when President Uhuru met his friend, Hon. Raila Amolo Odinga, saying that that is when....

(Hon. Kipyegon Ng'eno stood up in his place)

Wait, Hon. Ng'eno. According to you, that is when everything went berserk. I would like Hon. Ng'eno to listen to me. When Raila was the Prime Minister and there was a coalition Government in this country, our debt was only Kshs900 billion. When the Jubilee Government and your party leader, Hon. William Ruto, came into power with President Uhuru Muigai Kenyatta, our debt is now at Kshs9 trillion. You need to come up with a plan to solve these issues so that this debt does not spiral. We are dealing with governance issues. If you have any outstanding issues as to who you think has stolen in this country, you are free to go to court or table it in Parliament as a substantive Motion so that we discuss it.

Hon. Deputy Speaker: That is advice from a senior Member, Hon. Ng'eno. Just deal with the Budget issue. We do not need to have any sensational issues. If you have anything, just table it. Do not bother threatening others saying that someone is partisan or not. We have gone through that many times. Please, let us just stick to that. I gave you an opportunity to speak. Please, do so. Any other issue of partnership or otherwise is not our business. Just proceed with your contribution. It will not help too much.

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): Hon. Deputy Speaker...

Hon. Deputy Speaker: If you are not going to contribute, you do not have to waste...

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): Hon. Deputy Speaker, I am going to contribute. Please, allow me.

Hon. Deputy Speaker: Just contribute.

Hon. Kipyegon Ng'eno (Emurua Dikirr, KANU): Hon. Deputy Speaker, please, warn Members not to interrupt me when I am contributing. My contribution is based on my position as a Member of Parliament meant to oversee Government not other Members of Parliament. My contribution is based on this constitutional provision because my work in this House is to oversee and no one should censor me.

So, when I say we are doing the last Budget for a Government whose regime is ending in the next one-and-a-half months, I mean my oversight role as a Member of Parliament is to state what has happened in the last five years and no one should deny me that opportunity. When I say the Government has done something or fleeced its citizens through borrowing, no one should censor me because I have the facts. When I say the cost of living in this country has hit the highest mark, no one should tell me not to simply because they belong to the Government. When I talk about these facts, no one should stop me. I am a Member of Parliament like other Members in this House. I represent constituents who pay taxes like everyone else. No one has more rights than others.

My last point as I finish because I know most Members are not happy with my contribution and I do not care... I urge the Budget and Appropriations Committee Members to look into the resolution we made in this House, that the National Government Constituency Development Fund (NG-CDF) budget be increased from 2.5 per cent to 5 per cent. This is because of the good work NG-CDF does for the society. They reduced it to 2.5 per cent again and I do not know why. They need to look into this in the next Budget.

My main worry is the Equalisation Fund which was created as a third budgetary allocation in this country. We have the national budgetary allocation, county budgetary allocation and the Equalisation Fund. We have only spent one year's allocation of the Equalisation Fund since its creation. Up to now, we have not spent even a single coin yet that allocation was meant for areas which, for a long time, have been marginalised by various Governments of this country.

I was shocked when the Chairman told me this is because there are no regulations. Why is it hard to make regulations for a kitty meant to assist the marginalised areas, communities and people of this Republic? I wish this House makes regulations as fast as possible so that those marginalised areas can also benefit like others. They include; my constituency, Turkana, the whole of Kajiado, Narok, and even Kieni where the Chairman comes from. There are some arid areas that have been marginalised for many years. When I ask that question no one should tell me not to. I have every right because I am an elected Member like everybody here. So, I have the right to ask whatever I want about the Government we elected and put in place. By the way...

Hon. Deputy Speaker: So, we go to the next Member, Hon. Mwashako.

Hon. Danson Mwashako (Wundanyi, WDM-K): Ahsante sana, Mhe. Naibu wa Spika kwa kunipa nafasi hii ili nichangie Hoja iliyo mbele yetu, kuhusu Makadirio ya Bajeti ya mwaka 2022/2023.

Kwanza, nataka kupongeza Kamati ya Bajeti na Makadirio ambayo imeketi wakati mgumu kwa sababu kila Mjumbe anatazamia kurudi mashinani kutafuta kura. Kamati hii iliacha hayo yote na kuketi ili nchi yetu isipatikane na ugumu wa Kikatiba kama Bajeti hii haingepitishwa wakati unaofaa.

Jambo ambalo linanitia moyo sana katika Bajeti ya mwaka huu ni hili: angalau kwa mara ya kwanza, imeangazia masuala nyeti sana yanayokumba mwananchi wa kawaida. Wajua mbeleni tukiwa shuleni na hata chuo kikuu, tulikuwa tunafuatilia sana maswala ya Bajeti. Hii ni kwa sababu kila mara ingesomwa katika Bunge la Taifa, tulikuwa tunajua ingepunguza ushuru wa vyakula ambavyo vinatumika na Wakenya. Pia masuala ya maendeleo yangeangaziwa kwa kina sana. Tulikuwa tunajua katika Bajeti, kila sehemu ya nchi ingekumbukwa kwa mgao ambao ungeinua maisha ya mwananchi wa kawaida.

Mwaka huu, Bajeti imetengenezwa katika wakati mgumu sana. Tunajua kwamba bei ya vyakula imeenda juu sana na kumekuwa na mfumuko wa bei ama *inflation*. Tumekuwa na changamoto ya mafuta ambayo yanaongezwa bei na kuinua gharama ya maisha. Tumekuwa na kipindi kigumu cha njaa ambapo hali ya anga imekuwa ya kutatanisha sana. Kila mara tunapoandika Bajeti, hakukosi sentensi ya kusema kwamba ukuaji wa uchumi ama ile inaitwa *growth* ya *Gross Domestic Product (GDP)* inategemea sana hali ya anga itakavyokuwa.

Mara nyingine, mimi huona ni kama tunasahau kutaja kwamba tunamtegemea Mungu sana ili kufikia malengo ambayo tumeweka katika bajeti zetu za kila mwaka. Maanake kama tunataja hali ya anga basi ni vyema wakati tunapitisha Bajeti, pia tuwe na kipindi kama Bunge la Taifa cha kuombea hali ya anga. Maanake kila wakati tunasema ni kama hali ya anga haitabadilika. Ni vizuri niseme kwa miaka mitatu sasa tumekuwa na upungufu wa mvua. Maeneo mengi hapa Kenya hutegemea kilimo. Bajeti hii haitafikiwa kama hakuna mvua ama hali nzuri ya hewa. Swali muhimu ni: hadi lini tutaendelea kukadiria hali ya hewa kama kigezo kikubwa katika bajeti zetu za nchi?

Ningependa kuangazia uchaguzi. Hili ni jambo ambalo lazima Wakenya tuwe makini sana. Tunasema kwamba uchumi wa Kenya watafikana ukue kwa asilimia sita mwaka huu na katika miaka ijayo hivi karibuni asilimia sita nukta moja. Lakini tunajua kila mara tunapoenda kwa uchaguzi kunakuwa na taharuki. Ni vizuri sisi kama viongozi na wale ambao tunapigania nyadhifa mbali mbali nchini, tihakikishie Wakenya kwamba matokeo yatakayotokana na uchaguzi yataheshimika.

Sasa hivi utasikia viongozi wengi wanavyoongea wakipiga kifua nakusema wako na *numbers* na uhakika kwamba watachukuwa Serikali. Wameenda viwango vya kuahidi mambo mengi ambayo tunajua mara nyingi ni stori tu. Sasa tunasema kwamba uchaguzi utakapokuja tarehe tisa mwezi wa nane, Wakenya waseme *let it be just a day's activity*. Majibu yatoke na yule atakaye tangazwa mshindi aanze kutekeleza Bajeti hii. Yule ambaye atakuwa ameshindwa, basi arudi nyumbani. Ninasisitiza sana kwamba *Independent Election and Boundaries Commission (IEBC)* yatafikana ipeane *commitment* kwamba watafanya uchaguzi wa haki na uhuru, ili kila Mkenya anapoenda kupiga kura ajue kura yake itahesabika. Pia tujue kwamba Bajeti hii itatimizwa na Wakenya watapata afueni ya bei ya vyakula ili kupunguza gharama ya maisha. Hivyo, maendeleo ya nchi yatasonga mbele.

Nikimalizia, nimeona kwamba Bajeti hii imeangazia sana miundo misingi ya nchi na ni vyema hivyo. Basi vile vilivyoangaziwa tusije tukawa na *supplementary budgets* nyingi...

Hon. Deputy Speaker: Thank you, very much. Before I give the next Member, let me recognise students seated in the Public Gallery: Koru Girls' High School, Muhoroni Sub-County, Kisumu County. They are here to follow the proceedings, and learn from works of the National Assembly at this very serious time of debating the Budget.

(Applause)

(Hon.(Ms.) Gladys Wanga spoke off-record)

What is it Hon. Wanga?

Hon.(Ms.) Gladys Wanga (Homa Bay CWR, ODM): Thank you, Hon. Deputy Speaker. I just wanted to welcome Koru Girls' High School to the National Assembly.

Hon. Deputy Speaker: I thought I did?

Hon. Gladys Wanga (Homa Bay CWR, ODM): I wanted to add because Koru Girls' High School is in Kisumu County, Muhoroni Constituency, which is my home. I want to welcome and tell them that if they work hard, remain disciplined and focused, they will no longer sit up there because they will have an opportunity to sit down here. The sky is the lower limit.

Hon. Deputy Speaker: That is a very good encouragement to the girls. I had already welcomed them to the National Assembly. It is, however, good that you gave an added flavour to it.

(Hon. (Ms.) Odhiambo-Mabona spoke off-record)

What is it Hon. Millie Odhiambo? It is not about...

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Deputy Speaker.

Am not from Koru and neither am I from Kisumu County, but I just want to warn the Hon. Member who is saying that Hon. Gladys Wanga is from Homa Bay and not Kisumu. As women, we come from many places. We are citizens of the globe. She was born in Koru and married in Homa Bay just like I am married in Zimbabwe.

(Laughter)

Hon. Deputy Speaker, those are issues we determine when dealing with love, and not governance issues.

(Laughter)

I wanted to indicate that we just want to encourage the girls from Koru; I just want to notify them that many of us are here. Hon. Deputy Speaker, you may not know what it means for young girls to come to the National Assembly and see women who, probably, have the same background as them. We have Hon. (Prof.) Jackline Oduor, Eve Obara, Hon. Florence Mutua, Hon. Jerusha from Turkana and many others who are not here at the moment. Hon. Deputy Speaker, just indulge me a little bit. We get excited when we see young women in the House. If the women in the House reached here coming from those backgrounds, we want tell the students seated in the Public Gallery that the sky is the lower limit, just as Hon. Gladys said. They can be whatever they want to be: Doctors, Engineers, Lawyers and whatever. So, girls, you are welcome.

Hon. Deputy Speaker: Thank you. Well, I had to be a bit magnanimous because I realised there was lot of passion with the presence of the girls from Koru Girls High School. First, I wanted you to maintain it at "girls" and not "young women" because they are girls.

Secondly, I did not want us to do any other thing; forget about where you are married and where you are not because for us and them, at this point in time, it is how to make good grades in Form IV. The rest we can leave it for future times.

Let us now give the Vice-Chair of the Budget and Appropriations Committee, an opportunity to also give his contribution to this. He is in Seat No.58.

Hon. Bernard Shinali (Ikolomani, JP): Thank you very much, Hon. Deputy Speaker.

First of all, I want to thank the Chair, Hon. Kanini Kega for having led the Committee well and having given a very good presentation here.

I also want to thank the Budget and Appropriations Committee, and the Chairs of Departmental Committees who have had time during this electioneering period to meet. We know very well that we have had nominations and Members are busy out there trying to look for a way to survive in terms of campaigns because they have to come back to this House. They have, however, put in their time and we have been able to go through the Budget. Here we are, having presented it.

Members of the Budget and Appropriations Committee have burned the mid-night oil; most of them shuttling between Committee meetings and their constituencies. We managed to be where we are and have presented a good Report.

The Chairman has presented so well, the Estimates, which I do not need to go through again lest I distort. It is normally a good practice not to speak much after your boss has.

Maybe, I could mention one or two things. First, I would want to comment on the issue of pending bills. It is time the Executive took seriously the issue of settling pending bills. We have imminent problems in the near future if they will not be paid. From where we sit, we interact with the small contractors who have supplied the Government, but are about to be auctioned. Some have already been auctioned and have gone under while others have committed suicide. We therefore, want the issue of pending bills to be taken seriously now that the elections are around the corner, on 9th August 2022. We have had Information and Communication Technology (ICT) providers to the Independent Electoral and Boundaries Commission (IEBC) threaten not to deliver services because of the pending bills which IEBC has not to paid. We want the issue of pending bills to be ring-fenced so that they are paid. We have also seen institutions like the labour movements come to us asking for money which has been agreed upon through CBA with the Government, but the money has been pending. There could be many strikes if the Government does not consider settling these pending bills, and keep re-appearing before us.

The second issue which I want to speak to is the Sports Fund. It came in as a very good idea but how the money is distributed and spent remains something unexplainable. We wish to see that before money is spent, a budget is presented before the relevant Committee of Parliament for approval so that we can realise whatever the Fund was supposed to achieve.

Hon. Deputy Speaker, another issue is about the youth. The Budget, as it is, does not speak to how we talk out here, or how the Executive speaks about the youth. The Youth Enterprise Development Fund is underfunded, yet we want the youth to take the money in form of loans and do business. Uwezo Fund is underfunded. We want to see it given the appropriate Budget so that it supports the youth in our country. They hold the biggest population.

Lastly, I want to speak about education: there are bursaries given to Members of Parliament through the National Government Constituencies Development Fund (NG-CDF) and Members of County Assembly (MCAs) and county governments. Developed countries do not give bursaries. They have Universal Education Funds.

[The Deputy Speaker (Hon. Cheboi) left the Chair]

[The Temporary Deputy Speaker (Hon. Patrick Mariru) took the Chair]

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Vice Chair, your time is gone, I am afraid. Hon. Wanyonyi.

Hon. Ferdinand Wanyonyi (Kwanza, FORD-K): Thank you, Hon. Temporary Deputy Speaker for giving me the opportunity to make some comments on this presentation that was done very well by my Chairman, Hon. Kanini Kega.

The Vice-Chairman of this Committee was talking about settling of the pending bills. This Parliament has a duty to play its oversight role. We have pending bills that have not been settled. Pending bills hinder economic growth. These bills must be settled. For example, there are Chinese contractors who were constructing a road in my area. All of a sudden they stopped. When I went asking the area representative what happened, he told me that they had not been paid for almost six months. So, everything came to a standstill. We have to do something about the pending bills. Let us take the issues of supply very seriously.

Hon. Temporary Deputy Speaker, we have had the issue of the unpredictable weather. It is not very clear in this presentation about the weather. We have unpredictable weather; we do not know what is happening. The rains are not coming at the time farmers expect them to. Those of us who come from the North Rift know that we are supposed to be weeding at this time. However, some of the farmers have not yet planted or they are planting now. They are not sure because of the unpredictable weather. I think we should have factored insurance so that farmers are assured of some compensation if they fail to get the yields they expect to get. It is all about inputs. So this should have come up in the Report. We should have an insurance factor, particularly on the livestock and agricultural inputs. It will serve as a stop-gap measure to take care of farmers who have invested so much expecting to get yields and end up receiving nothing. We need to have insurance in this area. It is lacking in this Report

We currently have the Russia/Ukraine conflict. It is affecting this country negatively. As has been mentioned, Russia supplies us with wheat, steel and other materials. It has not come out clearly. The war is going on and we do not know when it will end. I do not even know its cause but we need to know what we are doing as a country, so that we protect ourselves from what is happening there. They are the major importers of tea and other commodities from our country. Nothing has been mentioned here about it. I request this Committee to come up with the issue of insurance on inputs. If they approach us, we shall be of help.

Hon. Temporary Deputy Speaker, the Kshs370 billion the Committee has allocated to the counties will be misused. It will not be accounted for. This does not happen only in my county; I have seen it in many other counties. Money is misused and cannot be accounted for. We give counties money, but they do not use it the way they are supposed to. Let us look at misuse of money at the level of county governments. We are allocating them Kshs370 billion but they will not account for it. I come from a county where nothing has happened for the last five years.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Members, remember you just have five minutes except for Chairs of committees who have ten minutes. Hon. Koske Kimutai.

Hon. Gideon Koske (Chepalungu, CCM): Hon. Temporary Deputy Speaker, this is the last Budget of this Parliament. This year's Budget is the highest among the Budgets that have been read in the previous years. There are a lot of indicators that show that the country is not doing well in terms of GDP. I have gone through the Budget keenly and the biggest Budget allocation goes to things that are not supporting development in this county. A huge part of this Budget is going to debts, both locally and internationally. As a Member of Parliament for Chepalungu

Constituency, I am worried because I do not see anything coming to my constituency under this huge Budget. I have mixed reactions. I do not know whether I should support or reject it.

Going forward, I wish that all constituencies are given a fair share in every sector of our economy, especially on things that can improve the social-economic areas of the people we represent like roads, water and electricity. These are key things that are very critical to the people that we represent. All of us come from different constituencies where we are expected to deliver on services that improve the lives of our people. If it is about tarmac roads, if the Government has projected to do, say, ten thousand kilometres in a financial year, we have to distribute money accordingly so that we all share the Government cake and feel like Kenyans.

Some constituencies in this country have only seen, say, five kilometres of tarmac road while others have tarmac on all their main roads and are now working on feeder roads. In Chepalungu Constituency, we struggle when we get an allocation from Kenya Rural Roads Authority (KeRRA) because all the roads are in bad shape. I sometimes feel jealous of my good neighbour, Member for Emurua Dikirr because he has done a good job in his constituency. I congratulate his people for voting and bringing him back.

The other thing is agriculture. Agriculture is very key in this country. The Budget and Appropriations Committee needs to allocate funds to agriculture because we can only make sense by injecting more funds into that sector. It is a key pillar of our economy.

We also talk of education being a basic thing that all Kenyans should embrace. We talk of Free Primary and Free Secondary Education. That is a lie. Our people are struggling every single day to pay school fees for their kids. We need to improve and allocate more money to the education sector.

Hon. Temporary Deputy Speaker, I would like to say that shared prosperity to all Kenyans is critical. Let us all share the Government cake because we all contribute by paying taxes. Let us also reciprocate by giving them meaningful work and services.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Let us have Hon. Okelo, Member for Nyando.

Hon. Jared Okelo (Nyando, ODM): Thank you very much and allow me to join my sisters, Hon. Wanga, Hon. Millie and all the indomitable women in this House, to welcome Koru Girls Secondary School that is in this House today. Koru Girls is in Muhoroni Constituency and Nyando is the immediate neighbour to the southern part of Koru. Up to and until 1988, Muhoroni was not a constituency. It was part of the greater Nyando Constituency together with Nyakach. Therefore, both Nyakach and Muhoroni are annexures of Nyando Constituency. So, I represent these girls and I welcome them into the august House. A few years to come, probably, some of them will be joining us here.

Hon. Temporary Deputy Speaker, I thank the Committee for coming up with this Budget. This is a peculiar Budget done at a time when we are staring at impending elections in August. They had to re-orient so many things in order to come up with this budget. Therefore, we thank them very much. Again, about the debt portfolio that we have spoken about since time immemorial, it is high time we retired these debts so that, as a country, we can be self-reliant. There are fears that we may be going over and above the ceiling as is espoused in Section 50(2) of the Public Finance Management Act. We only hope that the next government that will be coming in headed by none other than Raila Amolo Odinga will quickly address these issues of debt just like they did together with the late former President Kibaki so that, as a country, we can be proud of doing things our own way. We have been told about the pending bills. They do not only touch

government to government transactions. It is also about government to individual suppliers. These individual suppliers have bills to pay, food to buy and school fees to pay. They have other commitments to respond to, but here is a situation where the government holds their money for way too long.

Therefore, we must address this issue of pending bills locally so that as a nation, we can develop. When money circulates, that is the economy. It is not about up-something or bottom-something. No, it is about addressing issues of the economy across board and not necessarily looking at a particular sector. The cost of living has weighed us down as a country but I am glad that my sister, Hon. Wanga, has rejected any proposal to tax food and essential items going forward. We give this to her. This is so that we can have affordability in terms of essential commodities. My sister, Hon. Wanga, thank you very much. Even as you move to become Governor, be coming around to pay us a visit. I will welcome you. In any event, Homa Bay is not too far away from here.

The oversight bodies need to step up their efforts so that we do not see pilferages of public finance that have percolated our systems for way too long. Kshs1.9 billion is owed by IEBC to lawyers and non-legal suppliers. We really need a serious audit with a tooth comb. How would lawyers be paid Kshs1.9 billion? Over which cases? These are things that we must fully address as a country so that we do not lose money so indiscriminately.

The National Government Constituencies Development Fund (NG-CDF) has already been explained and we cannot over-emphasise that.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Order, Hon. Member for Nyando.

Hon. Jared Okelo (Nyando, ODM): Will I get my one minute back?

The Temporary Deputy Speaker (Hon. Patrick Mariru): We shall discuss that later. Let us hear what is out of order, Hon. Millie.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Temporary Deputy Speaker. I did not wish to interrupt Hon. Jared. I am just concerned. Actually I did not notice that my system was dead. So, I am actually on queue and, perhaps, I have been pushed way back. You can consider that. Those are the effects of digitisation.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Millie Odhiambo, you are using a shortcut to catch my eye.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Hon. Temporary Deputy Speaker, I am not using a shortcut. My system went dead. It is Hon. Esther Passaris who has just notified me. So, if there is a person using a shortcut, it is Hon. Esther Passaris. Hon. Temporary Deputy Speaker, I think you must also take that into account.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Had you registered interest to speak?

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Yes, and it went dead. Now I have just put it again. It means I have gone right to the bottom.

The Temporary Deputy Speaker (Hon. Patrick Mariru): I have taken judicial notice that you have been seated there for quite some time. Do not worry. Member for Nyando, you have your 30 seconds.

Hon. Jared Okelo (Nyando, ODM): Hon. Temporary Deputy Speaker, the Judiciary has been allocated Kshs18 billion at a time when we are going to have a myriad of election petitions pending before various courts right from the magistrates courts all the way to the apex court, the Supreme Court. How I wish that we would allocate them better monies going forward. Again, even

before doing this, let us carry out an introspection of the amount of money they have in terms of pending bills to various suppliers. On this, I support the Budget and Appropriations Committee and my brother, Hon. Kanini Kega, for such a splendid job. God bless.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Let us have Hon. Nguna.

Hon. Charles Nguna (Mwingi West, WDM-K): Thank you, Hon. Temporary Deputy Speaker, for the opportunity. Let me take this opportunity to thank the Budget and Appropriations Committee for coming up with this Budget under very difficult circumstances we are facing as a country and all the global challenges we are facing. We note we are experiencing the effect of Russia-Ukraine conflict and a myriad of challenges the world is facing at the moment. These issues have created what we call universal problems in our country. In terms of inflation, I know we have very difficult times.

At the outset, there are policies which actually have been set aside in terms of Budget issues. Number one is the debt limit we set as a country. The debt limit of Kshs9 trillion should be adhered to if at all we are going to have the issue of debt solved. I also note the issue of pending bills. A majority of intergovernmental agencies in our country have not been paid and many of the contractors are still suffering. We have even seen in our counties a majority of the contractors have not been paid. We cannot drive this economy on an upward trajectory if at all we are not taking the interest of our suppliers seriously. I would like to request the next president and the next CS for the National Treasury to look at this issue of pending bills very critically, very seriously and urgently. Priorities should be given to ongoing stalled projects like the major roads we are building for this country.

In my constituency of Mwingi West, there is a project which was started by the President. This is the Kabati-Bodoni-Migwani Road. This project has stalled and we need to divert our attention to these projects so that we can complete what the Jubilee Government started. I raise this concern because I know the new government will come up with new projects without really looking into the issues of stalled and ongoing projects. Let me point out that I am disappointed when it comes to the State Department for Social Protection and Senior Citizens. There has been a lot of calls that many Members of Parliament have focussed their questions on senior citizens protection. Majority of our people have reached 70 years, the age limit one can gain access to these funds, but a majority of our people are still not accessing these funds. I urge that in our new Supplementary Budget, we look at these state departments so that we can keep on taking care of our citizens.

Hon. Temporary Deputy Speaker, the country is experiencing serious adverse weather conditions. Drought mitigation measures are needed to cushion our people who are experiencing drought, especially in Eastern, some parts of Rift Valley and Northern part of Kenya. I would like to see increment of allocation in this State Department.

The National Government Constituencies Development Fund (NG-CDF) is 22.5 per cent of the Budget. This is the Fund which works across our country. If you traverse all the constituencies, you will see that the NG-CDF projects are more than the county government projects. The next Budget should look at this issue. We proposed to raise NG-CDF from 2.5 per cent to 5 per cent, so that we can take care of our education and security sectors. Five minutes is too little to talk about what we are discussing.

With those few remarks, Hon. Temporary Deputy Speaker, I support the Motion on the Consideration of the Budget Estimates for the Financial Year 2022/2023. Thank you.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Koyi Waluke.

Hon. John Waluke (Sirisia, JP): Thank you, Hon. Temporary Deputy Speaker, for giving me a chance to contribute to this Motion. First, I thank the Committee for working tirelessly on this Budget. I also thank the Members of the Departmental Committee on Finance and National Planning whom I heard over the radio and television explaining the measures that they will put in place to protect Kenyans against inflation.

I believe Kenya has a very strong economy but, we mismanage it. There is also corruption. The country needs to support farmers, especially coffee farmers, tea farmers and flowers farmers. They are the ones who continue to improve the economy otherwise, we would be in a big problem now. People are starving. As leaders of this country, when we come to discuss issues like this Budget making process, we need to be sober. Instead of some quarrelling or exchanging words, or defending their party leaders, we need to focus on an important issue like this one.

If Kenyans can protect the money we have instead of using it in corrupt ways, as a country, I believe we can go far. The biggest problem in this country is debt. How will Kenya pay the debt that we have? There are people who are still corrupt. I want to give an example of this Nairobi Expressway. We pay to use it. We will pay Ksh60 billion or 70 billion that the Government has used to build this road. Even these officers who are in the other room are collecting this money in cash. You cannot pay through a pay bill or card to the bank. You give cash. Where is this money going to? That encourages people to steal. If you collect and carry a bag of cash money, you can decide to take it to your house in the evening. That is what is happening. Members in this House pay to use the Nairobi Expressway and then they get the card for driving through without stopping. We need to have a mechanism to protect this money so that it can pay the cost of the construction of the Nairobi Expressway. That is a good example that I have seen here: I pay Ksh20,000 for my four vehicles in cash instead of paying by pay bill or something else. As a House, we need to oversee that payment. We have already seen that that is something we need to check as quickly as possible.

Hon. Temporary Deputy Speaker, I support this Motion.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Very well. Hon. Odhiambo Akoth.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Temporary Deputy Speaker, for giving me the opportunity to contribute. I wish to support the Motion. We are undertaking this Budget at a very difficult time for the country and the world at large. We are healing from the effects of Covid-19 disease that has resulted in loss of jobs and lives. Consequently, it has affected revenue raising measures.

For an economy that relies very largely on tourism and agriculture, this must affect us very significantly. We are also dealing with the effects of climate change on the economy that has led to even further unpredictable weather that we have been dealing with for a long time. This has affected our rural farmers and local people. The effect of the Russia and Ukraine war on the economy cannot be over-emphasised. Members have spoken to that. We are also dealing with an election year with the attendant challenges to the economy.

Transformative leadership requires that you do not undertake blame games that I have heard some Members doing. We must take a balancing approach by ensuring that development continues and at the same time, revenue is also raised to undertake it. We must then ensure that we cushion members of the public against the effects of both which are necessary. That is why I laud the Departmental Committee on Finance and National Planning for the measures that they seek to undertake. I know they will be brought before this House to cushion members of the public,

especially on food prices. If people cannot afford food, then the country shuts down. That is the most basic thing in life.

We must take the bull by the horns and agree that the country faces serious challenges. That is why the comments that were being made by the Member for Emurua Dikirr were a bit challenging to me. I was very far. When I heard him, I said that I had to come to the House and disabuse it of those notions. I was actually privileged very recently to watch one of the last Cabinet sessions that was presided over by the President and the Deputy President of the country. So, we can absolve the leadership of this country in terms of solutions. A serious leader deals with not only the good times but also the bad times. You cannot only be a leader when the going is easy but stop being one when the going is rough. You must own up the challenges as much as you own the good times.

I agree with the Member for Emurua Dikirr that the country is suffering not only in Emurua Dikirr but also in Suba North. Part of the issues that I have raised are some that are bedevilling the country. Of course, corruption is another challenge we are facing. That is why our party and our coalition, Azimio, has chosen a corruption fighter - an anti-corruption advocate - Hon. Martha Karua, as a deputy president. It shows our commitment to fight corruption. We should put our money where our mouth is. We do not just want to talk about fighting corruption but do nothing. If you compare both sides, it is different: daylight to night. One is bedevilled with corruption issues and the other one is a crusader against corruption. So, let us be honest when we are dealing with it.

The other issue is National Government Constituencies Development Fund. We raised this issue on the Floor of the House yesterday. I wish Members were here. As the Budget and Appropriations Committee, there are a few issues we flagged: debt ceiling, pending bills that can be an avenue for corruption, equity in resource allocation, and miniseries ignoring recommendations from the House.

Because my time is up, I will not explain but those are things we want this House to note and take seriously even as we take the bull by the horns and acknowledge there is a problem in the country. As the incoming Government, we will sort them out.

I support.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Oduol Adhiambo.

Hon. (Prof.) Jacqueline Oduol (Nominated, ODM): Thank you, Hon. Temporary Deputy Speaker. I would like, at the outset, to support the Report and thank the Chair of the Budget and Appropriations Committee. We know that a Budget is one of the most important documents in Government because it enables it to impact the economy and everyday lives of the people of Kenya. Therefore, as I support this Report, I agree and point out that we would like, through this Budget as has been highlighted by the Chair, to ensure that Parliament undertakes its role. At this moment its role is to ensure that the fiscal deficit remains within limits. The National Treasury should remain within limits approved by Parliament so that we do not have cases dealing with respective government ministries, parastatals or agencies that have funds, like the Sports Fund, utilising them without getting back to Parliament.

I also would like to agree that as we set the Budget, we must take note of the key drivers. I agree that as we highlight the key drivers, it is important for us to take note of the challenges rife at this time. I highlight the expected driver of macro-economic stability given, as has been indicated, to be the high cost of basic commodities. As we are already at a point where we want to change through elections to a different government, we note that on the campaign trail we continually enable *wananchi* to see that we are best placed, depending on who is looking for the

votes, to take care of their interests. However, we equally recognise that, as Members of Parliament, we must highlight that cooking oil, maize flour, bread, milk and the cost of fuel continues to rise.

As I support this Report, I agree the framework, context and challenge as we go to Elections is such that the key drivers we are talking about need to be recognised as being a bit unstable. We have pending bills that we do not seem to address. We have an unfavourable and unpredictable climate for Elections. Unfortunately, we have leaders whose speeches evoke emotions yet they do not seem to take responsibility to ensure that we have sound, peaceful and clear ways of engagement.

In conclusion, budget proposals and Estimates should give us a sound platform of operation for policy discourse. As we look forward to a new government, which we see has a clear agenda for reform, we need to have useful and necessary framework.

I support.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Mugambi Gichuki.

Hon. Gichuki Mugambi (Othaya, JP): Thank you, Hon. Temporary Deputy Speaker. Allow me to thank our Chair of the Budget and Appropriations Committee for good leadership during the process of formulating this Budget.

This is a Budget that has been formulated under very difficult circumstances when the economy has been unstable and threatened by a number of factors among them the Russia-Ukraine war which has caused a major spike in the cost of fuel, which has had a spiral effect on most of the commodity prices and caused inflation in all sectors leading to high cost of living. To address this, it means there had to be funds set aside to mitigate against the high cost of living particularly to subsidise the cost of fuel.

We are also talking of difficult times particularly with our exports like tea where the prices have come down because demand has come down because of the war between Russia and Ukraine. This has led to major devaluation of our shilling and a major increase in our foreign currency denominated debt which is threatening to exceed our current debt limit.

Allow me also to appreciate that a lot has been done in this country. We are among a few countries in this region that are recording positive growth. We hope this can be sustained. The threat going forward with our Budget is to run a balanced one. We have been running a deficit for the last almost five Budgets. This is not very healthy in the long run because a country cannot continually run on big budget deficits because it means we will continue borrowing particularly locally. This will crowd out the private sector and increase interest rates which means the thriving private sector where we expect growth to come from and the sector from which we expect to create jobs for the many unemployed Kenyans will struggle going forward.

We therefore continue to urge our National Treasury to try their best in ensuring that they take loans with longer maturity dates. Where possible, it should continue externalising part of our debt so that we do not compete with our private sector over the few resources. Going forward, we have to face the elephant in the house head on. This is usually a problem we have talked about for a long time—the problem of pending debts. These pending debts have also caused a major inefficiency in completing the ongoing projects. It means we have a lot of funds tied up in projects. They are not helping Kenyans and are holding a lot of funds.

Therefore, I support the Budget. Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Patrick Mariru): We will do it this way: Hon. Kimilu will speak to this. I can see Hon. Mutunga has just registered interest. After that we shall have Hon. Kanini Kega replying, in that order.

Hon. Joshua Kivinda (Kaiti, WDM-K): Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to contribute on the Budget Estimates.

First, I take this opportunity to thank the Committee for the good job they have done on these Budget Estimates. This is the high time we need to air our voice. As we are speaking, Kenyans are suffering. As we look at these Budget Estimates, we need to consider the key drivers of this Budget. When we talk of the economy, we know every Kenyan is complaining because of high living standards. Trying to mitigate this is to see how the common mwananchi is going to be relieved from these high living standards.

I am happy when I look at the Budget Estimates because I know some of these projects are in my Lower Eastern Region. We have Thwake Dam. As people of the Lower Eastern Region, we need to see the fruits and the benefits of that Thwake Dam. We have the techno city. We need to see the benefits of that city. On this, I know it will be on a good place and we will be in a position to see the fruits of those projects.

We also would like to see the National Government Constituencies Development Fund (NG-CDF) money increased from two per cent to five per cent. With the current economy, students and parents are suffering. We need to see how to help in education. We are talking of free education as we go round campaigning. Before we have the new Azimio government which is coming, I know this will be a relief to parents. We have to talk more on the economy. We need to see the benefits even before then because we have some remaining period in which we need to see how our parents can sleep well and our children go back to school. We have many of our students who have dropped from school due to lack of school fees. With a good amount of bursaries to the schools, we will try and help parents and our society on education.

I thank the Committee and support. Thank you.

The Temporary Deputy Speaker (Hon. Patrick Mariru): I learn that Hon. Mutunga will be speaking on the Finance Bill. In the circumstances, let us have the Hon. Chairperson.

Hon. Kanini Kega (Kieni, JP): Thank you so much, Hon. Temporary Deputy Speaker. As I reply, I want to really thank Hon. Members who have made contributions and enriched this debate. I also want to thank your good office for the facilitative part that you have done. We have requested many things that your office gave. I also thank the Chairs of the various Departmental Committees. We would not have gotten this Budget without their support. I want to put it on record that we were able to accommodate most of the recommendations that we got from Departmental Committees. Maybe, unlike in the past where Chairs and Members of Departmental Committees felt that they were doing something in vain, this time round we have tried as much as possible to accommodate the reallocations and requests that were given by the various Departmental Committees, especially the ones that were funded.

With that, I reply. I really thank everybody who has contributed and also those who have ceded their opportunity to contribute, maybe to contribute in the other debate. Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Members, we shall not put the question on that item until a subsequent time.

(Putting of the Question deferred)

Next Order.

BILL

Second Reading

THE FINANCE BILL

The Temporary Deputy Speaker (Hon. Patrick Mariru): The Chairperson of the Departmental Committee on Finance and National Planning. Is that Hon. Wanga, or who is it?

(Hon. (Ms.) Naisula Lesuuda walked in the aisle)

Hon. Lesuuda, give the Chair space to be on the Floor on this important business.

Hon. (Ms.) Gladys Wanga (Homa Bay CWR, ODM): Thank you, Hon. Temporary Deputy Speaker.

I beg to move that the Finance Bill (National Assembly Bill No. 22 of 2022) be read a Second Time. The Finance Bill was published on 8th April 2022, read a first time on 12th April 2022 and committed to the Departmental Committee on Finance and National Planning pursuant to Standing Order 127.

The Finance Bill, 2022, is amending several laws. It is amending the Income Tax Act, the Value Added Tax (VAT) Act, the Tax Appeals Tribunal Act, the Excise Duty Act, the Tax Procedures Act, the Miscellaneous Fees and Levies Act, the Evidence Act, the Capital Markets Act, the Insurance Act, the Unclaimed Financial Assets Act, the Statutory Instruments Act and the Retirement Benefits (Deputy President and Designated State Officers) Act of 2015.

The Finance Bill had a raft of amendments. The National Treasury, in proposing the Bill, aims at yielding an additional revenue of Kshs51.6 billion. That will form part of the Budget of Kshs2.1 trillion projected revenues in this Financial Year 2022/2023 that the Chair of the Budget and Appropriations Committee and the House have just concluded.

We conducted public participation on the Bill. Many Kenyans and many stakeholders who presented were concerned, mainly around the issue of the cost of living and mainly whether this Bill will impact adversely by increasing the cost of living. Not just the cost of living but also the cost of doing business. At the same time, the government was considering how to raise revenue to accelerate implementation of the Big 4 Agenda, mainly through fiscal consolidation and by trying to reduce tax expenditure. If we attain sufficient fiscal consolidation, we will be able to achieve the Big 4 Agenda, including Universal Health Coverage (UHC) and construction of at least 50,000 affordable houses.

Let me highlight some key amendments proposed in the Bill. There is an amendment to sections 3, 9, 34 and 35 of the Income Tax Act to introduce taxation of gains from financial derivatives for non-resident persons as well as to set the tax rate on the financial derivatives at 15 per cent of the gains. There is an amendment to section 12E of the Act to exempt non-resident persons with permanent establishments in Kenya from paying digital service tax. There is also an amendment to section 15 of the Act to allow entities and institutions that make donations to charitable organisations to deduct such donations from their taxable income. There is an amendment to section 16 of the Act to allow microfinance institutions to make deductions from taxable gross interest paid or payable to third parties even if it exceeds the 30 per cent limit set by law. This is an extension of what we did in the previous Finance Bill which exempted banking institutions from the interest restriction requirements in the law. We are now adding microfinance institutions, non-deposit taking lenders and higher purchase institutions.

The amendment to section 18(b) of the Act seeks to enhance the provisions of reporting framework in relation to returns on activities of multinational enterprise groups and their parent entities in Kenya and other jurisdictions. There is an amendment proposed to section 34 to increase the capital gains tax from 5 per cent to 15 per cent. The Committee and stakeholders were not entirely in agreement with this increase. When you levy high capital gains tax and you do not take care of inflation, then there will be a problem. Many stakeholders argued that if I bought my house 20 years ago at Ksh5 million and the value of the house is now Ksh80 million, how much of that difference is due to inflation? If you tax it at 15 per cent and you have not taken care of inflation, then you might just be taxing inflation and not actual gains. So the Committee has proposed to amend this increase, so that instead of having a 200 per cent or 300 per cent increase at a time, the tax rate can be increased gradually while also taking care of indexation.

There is an amendment to the Third Schedule to increase the digital service tax from 1.5 per cent to 3 per cent of the gross transaction value. Again, many stakeholders argued it is not fair because it is only last year that we introduced a 1.5 per cent tax on digital services and one year later we seek to increase it by 100 per cent for non-resident. If you look at Uber, for example, it puts many of our young people in business. If you increase tax on Uber, with the hope that the tax will only affect Uber, the company will simply reduce the amount of money that they pay young people driving Uber cars. So that is an area in which the Committee will propose amendments to perhaps retain the 1.5 per cent rate and monitor its performance for one or two years to see if it is working well. There can be gradual increases from there.

There are several amendments to the Value Added Tax (VAT) Act. There was a proposal to remove from the exemption list taxable goods for exclusive use for construction and equipment of specialised hospitals with bed capacities of over 50 upon necessary approval. We did not see the sense in this proposal. In the era the Covid-19 pandemic, we have added onto the exemption list locally assembled motor vehicles but then we seek to remove equipment for specialised hospitals. We felt that there is a mismatch of priorities. That is one of the proposals by the National Treasury that we will not agree with. There was also a proposal to remove from the exemption and zero-rated list the supply of maize, cassava and wheat flour, among others. That is another area where we did not agree with the National Treasury. While it was generally to clean up the Act, because these items appear in many sections, it can be misconstrued. Touching an item in one point may mean you end up taxing the item. With the high cost of living, it is not prudent for this House to add more taxes on basic commodities. If you go to supermarkets right now, you will find that five litres of your cooking oil, which was about Ksh1,600 three months, costs about Ksh2,500. I want to urge the House to do anything that we can at this point to shield Kenyans from the high cost of living, even as we raise revenue for the government.

There is a provision in the Bill to provide exemption for plant and machinery imported for manufacture of pharmaceutical products. We totally agree with this proposal and we laud the National Treasury. If we can do this for the manufacture of pharmaceutical products, including vaccines, then we will have a way of manufacturing vaccines locally. You realise that when the pandemic hit, it was everyone for themselves. Even the developed world wanted to take care of their population first before thinking about any other person. Therefore, we must be well equipped to manufacture our own products. Now is the time to incentivise some of these efforts, including exemption of medical oxygen supplied to registered hospitals, urine bags, adult diapers, artificial breasts and colostomy, and ileostomy bags for medical use. These exemptions are critical. Some of these products are unaffordable yet most essential. For example, when you have cancer of the colon, you have to use a colostomy bag after operation. It is not a luxury. It is something you must

have. If you do not have it, you will walk with a polythene bag tied to your stomach. We laud the Executive and the National Treasury for making these proposals. We fully support them. There is a proposal for exemption from VAT of inputs and raw materials used in the locally manufactured passenger motor vehicles. This is important because we want to promote local manufacturing.

Hon. Temporary Deputy Speaker, there are many amendments to the Tax Appeals Tribunals Act to streamline the processes and timelines for resolving disputes and settlements of such disputes out of the Tax Appeals Tribunal. The Excise Duty Act is being amended to provide that the KRA Commissioner may, in a gazette notice, approve or exempt specified products from inflation adjustment. Every year, there is an inflation adjustment. What this proposal was saying is that you give the Commissioner power to say: "Okay, we will exempt water or this or the other". However, we felt that is too much.

The Committee, even after listening to the stakeholders, felt that this might be too much discretion because then even, the companies cannot plan. You do not know whether this year you will be exempted, next year you will not be exempted and so on. One of the proposals the Committee made, even when we did the petroleum products amendments, was that instead of giving discretion, why can we not just make the period for inflation adjustment two years? This is what happens with inflation adjustment. You pass the Finance Bill in July and in October, there is inflation adjustment. The tax was increased in July, it is increased again in October and next year, it is the same process. The House will consider that.

There is a proposal to increase Excise Duty on nicotine. The Committee agreed to increase Excise Duty on tobacco products. There are several proposals to increase several things on tobacco products. The increase of taxes on stake for betting has been proposed from 7.5 per cent, which we only did last year, to 20 per cent. The industry must see what happened when we put 7.5 per cent. Do it in a year or two years and then see if it is increasing. But the overall effect is the decline in taxes, not because people are not betting, but because they are betting through other means.

The Tax Procedures Act is also amended in various areas, but mainly to streamline the timelines within which people must report or claim. We also had amendments to the Miscellaneous Fees and Levies Act. On this, let me say something. There is an amendment to reduce the fees for export of raw hides and skins. The Committee was not convinced as to why we should do so. There is a park being put up here for purposes of hides and skins. We even do not have enough raw materials to process, but we are reducing rates on what we are exporting. So, why should we export our hides and skins when we can process them here and export them as finished goods? That is another area we did not agree. It is an area that is going to help raise revenue for the Government.

There is a proposed amendment to the Statutory Instruments Act, which is to provide for exemption of statutory instruments legislated under various tax laws from automatic expiry as provided in Section 21 of the Act. We cannot exempt statutory instruments from being approved here. Therefore, we do not agree with that particular amendment because the idea of ten years will have lapsed. These statutory instruments should have been brought back to the House to be looked at again to give an okay to proceed with them. However, we are being told to exempt them. We are not in agreement. The House must retain its power to review these statutory instruments especially when they concern taxes. You remember the other day we were being told that we are levying the Petroleum Development Levy and many Members of the House were wondering: "So, are we levying it? Did it come here?" It did not come here because it only remains with the Committee on Delegated Legislation. That is one of the amendments we have also proposed, which is that any statutory instrument that is concerned with taxes or levies should come to the Floor of

the House for approval by the Committee of the whole House, so that even as you walk out there and you are told you levied this fee or tax, you agree because you know about it.

Hon. Temporary Deputy Speaker, we had serious participation by stakeholders. We received written memoranda and oral submissions from 74 stakeholders. We took days to just listen to stakeholders. I am saying this specifically because sections of the Finance Act are usually litigated on the basis that there was no public participation. We had 74 stakeholders and the Committee was happy to see that even individual citizens participated. Out of the 74, 17 were individual citizens just appearing before the Committee to make their comments on the Bill. The Committee lauded this because even the *wananchi* who came were very informed about what they were talking about. Let me recognise the following persons who took their time and spent their resources to come for public participation.

Mr. Ernest Muguku has always submitted on every section of the Bill. He is a committed member of the public to these matters. Ms. Jane Nyawira came all the way from Embu. Others are Nancy Wambui, Jacob Nzuki and several Kenyans who appeared before the Committee including under the Okoa Uchumi Coalition.

As I have said, one of the things that was discussed most was the issue of the taxpayers making a deposit of 50 per cent of the disputed amount at the Central Bank of Kenya (CBK) for cases determined by the Tax Appeals Tribunal ruled in favour of the KRA before filing an appeal to the High Court. I am sure Members have heard this debate a lot. The idea is, if you are a taxpayer and you go to the Tribunal and you are told you owe KRA Kshs1 billion, before you appeal at the High Court, you have to submit to the CBK in a non-interest-paying account, Kshs500 million before you can go to the High Court. Many stakeholders spoke to this and opposed it on many fronts, that it was deterring access to justice. That was unconstitutional, but also just increasing the cost of doing business and making Kenya an unattractive business environment. This is one of the areas we are not in agreement with what was proposed.

As I had said earlier, the increase of Capital Gains Tax was also discussed. I have talked about the increase of tax on basic commodities. The Excise Duty on glass bottles will impact very negatively because we just have two glass manufacturers. There are colleagues in Tanzania and Egypt who are not subjected to this Excise Duty and they become very uncompetitive in the market. I have already spoken about the issue of vaccines and that exemption. The issue of taxing imported paint so that we can give our local manufacturers an opportunity to manufacture and be competitive was also discussed and acceded to by the Committee, but not for locally manufactured paint. The stakeholders spoke about the issue of specialised hospitals. The Digital Service Tax was a big question of debate. The issue of betting was also a big debate. As I said, we agreed with some stakeholders on the areas that I have highlighted, but we did not agree with some of them. The good thing is that they expressed their views and informed the Committee accordingly.

There is also the whole issue of beer. The taxes which are levied in our neighbouring countries are lower than ours. You find that our people who live at the borders, for example, in Busia County, cross the border and drink on the Ugandan side rather than on this side. It is not about the beer. I can see Hon. Mutua there. What we were shocked to see was the effect this has on the value chain. Beer is made of barley and sorghum. Farmers came to the Committee and said that they are part of the value chain. These constant increases reduce some of these taxes. However, we still have to tax. There are areas that we agreed with the National Treasury to tax, including the beauty products. The men in the Committee said that they would love the women to be natural. I do not know whether that is true.

An. Hon. Member: I will confirm.

(Laughter)

Hon. (Ms.) Gladys Wanga (Homa Bay CWR, ODM): They overpowered us and decided that we should maintain the taxes on beauty products. We want legitimate products because the skin is so sensitive. If we allow every counterfeit product, then a lot of people will destroy their skins.

We are really grateful to the Members of this House and the leadership, namely, the offices of the Speaker and the Clerk, for the logistical and technical support they accorded us during the time we were doing this work. As a Committee and House, we are committed to ensure that we raise taxes for purposes of running the Government. However, we also need to protect the people whom we represent from taxes that may be punitive, inflation and the cost of living that has been rising.

Hon. Temporary Deputy Speaker, I thank you for giving me this time to contribute. I beg to move the Bill and call upon Hon. Mboni, the Member for Kitui Rural, to second.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Mboni.

Hon. David Mboni (Kitui Rural, CCU): Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to contribute. From the outset, I second the Finance Bill, 2022. It is prepared to fund the Budget Estimates of the 2022/2023 Financial Year. The Budget is prepared when the country is facing internal and external challenges, including rising inflation pressures, depreciation of the Kenya shilling and constrained fiscal space as the Government continues to meet its debt obligations. Russia and Ukraine conflict affects the supply chain globally. These effects will have serious impact on the revenue that we collect in this country.

The Bill proposes the tax policy measures to raise Kshs51.607 billion as part of Kshs2.14 trillion which is projected for the 2022/2023 Financial Year. It also presents an opportunity for the Government to accelerate the implementation of the Big Four Agenda, which includes universal healthcare, housing, manufacturing and agriculture. These measures include Value Added Tax (VAT), Income Tax and Excise Duty. However, we also need to note that most of the revenue that we want to collect is in three sectors, namely, manufacturing, Information and Communications Technology (ICT), banking and insurance. These sectors contribute only 17 per cent of the Gross Domestic Product (GDP). They also contribute 53 per cent of tax revenue. This means that they are overtaxed. Therefore, the Government needs to expand tax measures to include other sectors, so that these sectors will not feel they are overtaxed.

I want to note that most of the Kshs51 billion which will be collected from these measures will come from the Excise Duty Act proposals which are supposed to contribute Kshs26 billion. These taxes are in beer, spirits and cigarettes. It is important to note that because of the high taxes in beer, spirits and cigarettes, we get a lot of these commodities from neighbouring countries which are cheaper. We lose revenue that way. However, we also need to ask ourselves whether we need these sectors. We overtax them. There is something called Laffer Curve in economics. There is a tax limit beyond which the tax revenue starts going down. So, we need to ask ourselves whether we need these sectors. They are really being affected. There are backward and forward linkages. There is backward linkage in terms of farmers who grow barley and sorghum, which are used in the production of beer. There is forward linkage in terms of distributors and retailers which are the bars. Immediately we overtax these sectors, then we will lose jobs. The farmers who are employed to produce the raw materials and the workers who work in those farms will lose their jobs. People

who work in bars will also be affected. Therefore, we need to be very careful, so that we do not lose revenue and jobs.

The Chairperson of the Committee has really given the details of the tax measures. However, I want to note that when there are tax disputes, the affected person is supposed to deposit 50 per cent of the disputed tax at the Central Bank of Kenya. This issue is very serious. If the dispute is Kshs2 billion, the taxpayer deposits Kshs1 billion in a non-interest earning account. This person may not even have the money. Probably, he has to go to the bank and borrow that amount to deposit in that account. Some of these disputes take up to 10 years. So, it is a loss to that business. This policy will hinder justice because people will be afraid of resolving these disputes. It will also promote corruption. Somebody will try to see how he can evade that and give little money, so that the people who collect the revenue will not go after him.

There is VAT on maize flour and cassava flour. These are essential commodities which we should not impose VAT on. The proposed VAT on fertiliser is a very serious issue. The country has faced drought for the last two years and there is no food. I have been visiting schools in my area and children are not going to school because of lack of food. So, imposing a tax on fertiliser will make the situation worse.

Hon. Temporary Deputy Speaker, on the inflation adjustment, which the previous speaker has spoken on very well, it is done on several commodities. We impose tax on these commodities every year in the Finance Bill. Imagine in July the tax imposed by the Finance Bill is implemented and in October there is inflation. That is double taxation. Therefore, we need to look at this. I urge this House to consider moving from one year to two years before we adjust the tax.

Because of the situation we are facing in the country, we are likely to have a big public debt deficit. I do not think we are going to raise the Kshs51 billion, the biggest amount we have ever raised in any Finance Bill, but I urge the Government to improve tax system to expand the tax base, so that we can bring in more people and more sectors into the tax bracket, and we are able to fund our budget. The Government should also reduce corruption, which has been a big issue. The Government should go on to implement fiscal consolidation to reduce wastage in the Government.

Finally, the Government should fund the ongoing projects to completion so that we can realise their full impact.

With those few remarks, I beg to second.

(An. Hon. Member consulted loudly)

The Temporary Deputy Speaker (Hon. Patrick Mariru): Who is that Member shouting from that end?

(Question proposed)

We shall start with Hon. Passaris.

Hon. (Ms.) Esther Passaris (Nairobi CWR, ODM): Thank you, Hon. Temporary Deputy Speaker. As I stand here, I am very proud of the Chair of the Departmental Committee on Finance and National Planning, Hon. Gladys Wanga, being a woman in that seat and for doing the work she has done.

As I listened to her talk about the list of all the taxes they have looked at and perused to make sure that they raise adequate funds for the Government, it is obvious that the Committee has

worked hard. I also commend the 70 plus Kenyan institutions and individuals who came out to publicly participate and engage the Committee on the various tax areas where the Government wanted to raise money.

There is no Government that can run without raising funds to meet its debt obligations and run its various institutions. It is the Government that ensures that we have medicine in our hospitals. It is the Government that ensures that we have teachers in our schools, and nurses and doctors in our hospitals. Our police force and military are financed by the Government. There are many areas where the Government creates employment opportunities for Kenyans. It cannot do this whether in national Government or devolved governments without the necessary income. So, we must understand that our Government must look for ways to tax, so that it can effectively run an economy. If we do not have money to run our Government or to pay our debt, the country will go into a state of anarchy. I commend the Committee for various tax amendments they have looked at to raise money for the Budget and Appropriations Committee and the effective running of the Government both at national and devolved units.

As I listened, I picked one or two areas where I thought the Committee made wise decisions. In terms of food security, we have had drought, locusts and we do not have enough food to feed our people. We import a lot of food. Sometimes, the importation of food is done at the expense of local production. We have to be very eager to ensure that we do not tax the basic food that is consumed by our people to raise taxes. If we look at what happened in Sudan, it was just the raising of the price of bread that brought the entire Government down. So, we have to be very clear so that our people cannot sleep hungry. We need to make interventions to ensure that Kenya becomes food secure by helping farmers produce. We must ensure that fertilisers reach the people and once the prices come down, people will have enough to eat.

Recently, I read an article on a study that was done in the UK. Almost two million people in the UK today are not able to have a meal every day. So, the whole world is battling on the post COVID-19 situation on how to feed their citizens and how to revive their economies. So, as Kenyans, when we hear about taxation and hear the Government trying to raise money, we have to understand that as a world, we have come out of the pandemic. The COVID-19 caused loss of jobs, income and loss of lives and every single day Kenyans are battling with its effects. Let us realise that it is not a Kenyan problem.

We agree that we have corruption in Kenya and it is the big elephant in the room, which we have to deal with, but we cannot start talking recklessly like Hon. Rigathi, the deputy leader of the *tanga tanga* group, that the Government is increasing taxes, and that he was a big taxpayer. I never saw any of his companies and he has not said which ones. If he was turning over Kshs10 billion, he should have been one of the highest tax payers in the country. We should not politicise issues of taxation and the budget because this is what keeps the economy running. We are in an election year, and the Government will require a lot of money to ensure that we can run an effective campaign and election process. The election process itself will employ a lot of Kenyans and it is something we cannot do without.

On not taxing imported machinery, there are modern plans to bring a US\$500 million project to Kenya to produce pharmaceutical products and vaccines. It will be the first in Africa. As a country, because we enjoy peace through the handshake between Uhuru Kenyatta and Raila Odinga, we attract very good investments like the Express Highway, which a number of those that have been criticising the project of the Government actually use. Of course, we know they do not use the SGR because they hire helicopters, but the SGR serves Kenyans. When we have a pharmaceutical company coming to invest in our country, it will bring technology, and foreign

exchange. They will export to African countries, being the first one here and they will also create jobs. Kenyan scientists are celebrated worldwide and will have an opportunity to serve in such big projects.

Another area that we need to look at is how to ensure that this country continues to trade and attract partners by having concessions. We have been giving a lot of tax holidays to people who want to invest in Kenya. I believe there will come a time when we have to look at Kenyans who are struggling and find opportunities for them to have tax holidays so that they can create the necessary jobs.

Recently, a group of manufacturers came to see me and they told me that they could not access the US\$. They said that they were scared that if they did not access US\$ to get raw materials, they will end up in a position where they would have to lay off a number of workers. That was actually critical. The reason we do not have enough US\$ is because our tourism industry has gone down because of the COVID-19 Pandemic. I love the fact that our party leader, Raila Odinga, who is the fifth President of the Republic of Kenya God willing, has said that when he becomes the president, he will ensure that we produce almost 90 per cent of the raw materials that we need in this country so that we do not spend our US\$ to buy raw materials. We should spend them to pay our debt, reduce our debt and renegotiate our debt. The country is in a bad position as people are struggling. I want Kenyan citizens to know that as you struggle to make ends meet, it is not a problem that has been created strictly by the Government. It is a worldwide problem.

We need to ensure that as we vote wisely in the upcoming elections, we vote for a person who can give this country the right direction. That person is none other than Raila Amollo Odinga. Why do I say that? When you think of the Government talking about creating about one million jobs, Raila Odinga, just by fighting for devolution, has created over five million jobs across the country in all counties. That in itself cannot be written off. Hon. Raila Odinga has made sure that we, as a country, have something that will unite us. You know a house divided cannot grow. Azimio la Umoja is all about uniting all of us, so that we come as one when united.

We know this country has a huge problem of single mothers. We have a huge problem of unemployment. He is the only leader who decided to put dignity in people's lives. When he says: "I want to give everybody something, Kshs6,000, as a social fund", that fund will be money that will come from taxes. That social fund will make sure every Kenyan is dignified. If you have a house of four unemployed people, you will end up with Kshs24,000. You will be able to pay your house, NHIF, food for your children, and have some dignity. I would like to urge Kenyans to look at these upcoming elections as a chance to economically liberate themselves. You should be looking for somebody to run the country, who is better. Somebody mature, experienced and has your interests at heart. Not somebody who lies to you on a daily basis. Just look at the kind of nonsense we are hearing from Rigathi. He says he was one of the biggest tax payers. I have never seen any of his companies. He was short of mentioning the companies. I want Kenyans to stop being deceived and understand that we are really brainy Kenyans.

We are also in bed with many international donors. We consult when we sit to make decisions about how we can run our country. When we consult, it is for the good of this country.

I support the Finance Bill. I also support the Budget that was put in by Kanini Kega and his Committee. The Ministry of the National Treasury and Planning should try and have many opportunities to engage Kenyans, so that we can move ahead together and liberate our country, as the Rt. Hon. Raila Odinga heads the economy. We should have unity and peace.

Thank you. I support.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Next in queue is Hon. Odhiambo Akoth.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Temporary Deputy Speaker. I rise to support the Finance Bill and thank the Committee for their recommendations and the Bill.

As you well know, the Finance Bill is primarily about revenue raising measures to enable us finance the Budget. That is why you can see, just before this, we had a Motion on the Budget. Members have spoken at length about the need for roads, infrastructure, electricity and several things in constituencies. As much as you may want to put something in our budget, where is the money to finance such a budget? This Bill is about how to raise money to finance that budget.

As I had indicated earlier in the Budget Motion, the country and the world at large is facing unique challenges that call for delicate and transformative leadership that takes a balanced approach to the mentioned challenges. A leadership that wants to hoodwink the country by promising all goodies without knowing that we have to face how to raise taxes for that budget is not honest. You can only cheat people for so long. Indeed, history is replete with countries that have fallen because they did not address the issues that faced them. Even as we look at the Finance Bill, it requires a commitment to development, but with a heart for the people. I can see the Departmental Committee on Finance and National Planning is trying to do both. We want to make sure that we raise revenue, yes, but we have a heart for the people and we are alive to the challenges the country is facing right now. History is an excellent teacher. We can refer to world events that have transformed history and that we can learn from.

The French Revolution was inspired by poor management of the then challenges. France faced two decades of poor harvest, which Kenya is facing. They faced drought and cattle diseases, which Kenya is facing. They faced skyrocketing bread prices that kindled unrest among peasants and the urban poor. Maria Antoinette is infamously said to have told the masses to buy cake if they could not afford to buy bread. If we are talking about transformative leadership, then the Finance Bill must be alive to these issues. That is why I thank the Committee for being conscious about those issues that can bring down a government. Many people in those times expressed their desperation and resentment towards a regime that imposed heavy taxes, yet failed to provide any relief. They did this by rioting, looting and striking. That is why the recommendations of the Committee are welcome, especially on bread and cassava and maize flour.

I thank the Committee for being very conscious about issues that affect the lives of millions of Kenyans. We cannot tax cassava, wheat and maize flour. These are the products that we survive on.

I want to give you an example most Members of Parliament can attest to. We face a very unique election this year. Wherever you go, people are so desperate. Recently when we went to one of the constituencies here in Nairobi, almost 20 young men came and crowded around my car and insisted to take me very far. I had to stop and give them money. That is not unique. It happens all the time. What I found unique is that the next time we were at the KICC, the same group of 20 men had identified my car and they chased my own constituents. They are not even from my community. They chased my constituents and said: “*Kila mtu aende kwa Mbunge wake*”. They adopted me as their Member of Parliament because of bread and butter issues. If we do not deal with the symptoms that we see, people are struggling and suffering. People cannot afford meals. I laud the Committee for being sensitive. Even if we are enacting tax measures, the measures should be on products that do not affect the common issues of survival.

I agree with the Committee on the removal of tax on equipment for specialised hospitals. No one chooses to be sick. The burden of healthcare is a problem to all of us. Members of Parliament will tell you that we are added to whatsapp groups of people suffering from cancer, diabetes and other diseases. Sometimes it is because of mismanagement of our county hospitals. People need to raise money to go to hospitals in other counties. This is a burden that even Members of Parliament cannot handle. So, we cannot, as a Government, transfer that burden to the people we need to shield. I agree with the recommendations of the Committee in that respect.

I also support the proposed increase of taxes on tobacco.

The Temporary Deputy Speaker (Hon. Patrick Mariru): Order, Hon. Millie. It is 1.00 p.m. That is not to say you are done. You have a balance of three minutes when the Bill will be placed on the Order Paper. For other Members, there will still be opportunity to contribute to this very important item.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Patrick Mariru): Hon. Members, the time being 1.00 p.m., this House stands adjourned until today at 2.30 p.m.

The House rose at 1.00 p.m.