

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Tuesday, 11<sup>th</sup> June, 2013

The House met at 2.30 p.m.

*[The Speaker (Hon. Muturi) in the Chair]*

### PRAYERS

### MESSAGES

**Hon. Speaker:** Hon. Members, there is a message from the President. Standing Order No.42(1) provides that the Speaker shall read to the House any message from the President delivered to him. In this regard, I wish to convey the message whose subject is “Nominees for Principal Secretary” which was submitted by way of a letter dated 10<sup>th</sup> June, 2013. It was addressed to my office for submission to the House and it reads as follows:

“In exercise of the powers vested in me by Article 155 of the Constitution of Kenya, I do hereby submit my nominees for the Office of Principal Secretary in the respective State Departments for approval by the National Assembly. The nominees are:

<u>NAME</u>		<u>MINISTRY</u>
1. Mariamu El Maawy	-	Lands
2. Dr. Wilson Songa	-	Industrialization
3. Josephta Mukobe	-	Coordination
4. Eng. Joseph K. Njoroge	-	Energy and Petroleum
5. Prof. Colleta Akinyi Sunda	-	Science and Technology
6. James Teko Lopoyetum	-	Water
7. Eng. Joseph Kipng’etich Musonik	-	Infrastructure
8. Eng. Karanja Kibicho	-	Foreign Affairs
9. John Konchella	-	Devolution
10. Ali Noor Ismail	-	Labour
11. Dr. Belio Kipsang	-	Education
12. Dr. Kamau Thugge	-	Treasury.
13. Nduva Muli	-	Transport
14. Dr. Khadija Kassachom	-	Livestock
15. Mutea Iringo	-	Interior
16. Cecily Kanini Kariuki	-	Agriculture
17. Prof. Japheth Michieni Ntiba	-	Fisheries

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|--------------------------------|---|----------------------------------------|
| 18. Amb. Monica Kathina Juma   | - | Defence                                |
| 19. Dr. Ibrahim M. Mohamed     | - | Commerce and Tourism                   |
| 20. Prof. Fred H.K. Segor      | - | Health                                 |
| 21. Joseph Musuni Tiampaty     | - | Information and<br>Communication       |
| 22. Amb. Richard Ekai Titus    | - | Mining.                                |
| 23. Patrick Omutia             | - | Sports, Culture and The Arts           |
| 24. Manamaka Amani Mabruki     | - | East African Community                 |
| 25. Eng. Peter Oranga Magiti   | - | Planning                               |
| 26. Richard Lesirian Lesiyampe | - | Environment and Natural<br>Resources”. |

Hon. Members, for the convenience of the Members who are at the door, I will resume my seat as they come in.

*(Hon. Members at the Bar walked into the Chamber)*

Those of you who are late, I have given you enough time to walk in; in any case the rule is that you must be in the Chamber by 2.30 p.m. I continue, hon. Members.

Standing Order No.45 requires that, upon receipt of notification of nomination for appointments such nomination shall stand committed to the relevant Departmental Committee of the House for consideration. Pursuant to the provisions of the said Standing Order therefore, and paragraph (3) of Standing Order No.42 relating to messages from the President, I hereby refer the Message from His Excellency the President containing the names of the 26 nominees, together with their curriculum vitae to the following Departmental Committees in accordance with their mandate to undertake the necessary approval hearings:

1. Departmental Committee on Lands:
  - (a) Ms. Mariamu El Maawy;
2. Departmental Committee on Finance, Planning and Trade:
  - (a) Dr. Wilson Songa,
  - (b) Mr. John Konchella,
  - (c) Dr. Kamau Thugge,
  - (d) Dr. Ibrahim M. Mohamed,
  - (e) Eng. Peter Oganga Magiti;
3. Departmental Committee on Administration and National Security:
  - (a) Mr. Josephtha Mukobe,
  - (b) Mr. Mutea Iringo;
4. Departmental Committee on Energy, Communications and Information:
  - (a) Eng. Joseph K. Njoroge,
  - (b) Mr. Joseph Musuni Tiampaty;
5. Departmental Committee on Education, Research and Technology:
  - (a) Prof. Colleta Akinyi Suda,
  - (b) Dr. Belio Kipsang;
6. Departmental Committee on Health:
  - (a) Prof. Fred H.K. Segor;

7. Departmental Committee on Environment and Natural Resources:
  - (a) James Teko Lopoyetum,
  - (b) Mr. Richard Lesirian Lesiyampe,
  - (c) Amb. Richard Ekai Titus;
8. Departmental Committee on Transport, Public Works and Housing:
  - (a) Eng. John Kipngetch Mosonik,
  - (b) Mr. Nduva Muli;
9. Departmental Committee on Defence and Foreign Relations:
  - (a) Eng. Karanja Kibicho,
  - (b) Amb. Monica Kathina Juma,
  - (c) Manamaka Amani Mabruki;
10. Departmental Committee on Labour and Social Welfare:
  - (a) Mr. Ali Noor Ismail,
  - (b) Mr. Patrick Omutia;
11. Departmental Committee on Agriculture, Livestock and Cooperatives:
  - (a) Dr. Khadijah Kassachom,
  - (b) Prof. Japheth Micheni Ntiba,
  - (c) Ms. Sicily Kanini Kariuki.

Hon. Members under the Public Appointments (Parliamentary Approval) Act, (No.33 of 2011) and the Standing Orders, the National Assembly shall, within 14 days of the receipt of the nominees under subsection 7, consider all the nominations received and may approve or reject any nomination.

In this regard, hon. Members, I wish to guide the Committees and the House as follows: The Departmental Committee should notify the nominees and the general public of the time and place of holding the approval hearings in good time. In order to manage our time optimally, the notification should, therefore, be issued tomorrow, Wednesday, 12<sup>th</sup> June 2013 and finally, the Committees may, therefore, undertake the approval hearings between 17<sup>th</sup> June and 19<sup>th</sup>, 2013.

Thereafter, the Committees should table their Reports before the House on or before 20<sup>th</sup> June 2013. Thank you.

### PAPERS LAID

The following Papers were laid on the Table:

- The 2012/2013 Supplementary Estimates (Recurrent Expenditure);
  - The 2012/2013 Supplementary Estimates (Development Expenditure);
  - Financial Statements of the Kenya Urban Roads Authority (KURA) for the year ending 30<sup>th</sup> June 2010;
  - Financial Statements of the Kenya Urban Roads Authority ( KURA) for the year ending 30<sup>th</sup> June 2011;
  - The Annual Report and Financial Statements of Agrochemical and Food Company Ltd. for the year ending 30<sup>th</sup> June, 2012
  - The National Gender and Equality Commission Annual Report for 2011/2012.
- Thank hon. Speaker Sir.

(By Hon A.B. Duale)

**Hon. Speaker:** Very well

## REQUESTS FOR STATEMENTS

### RESETTLEMENT OF IDPS DISPLACED IN RIFT VALLEY

**Hon. K.K. Kinyanjui:** Thank you hon. Speaker, Sir. Pursuant to Standing Order No. 44 (2)(c), I wish to request a Statement from the Chairperson of the Committee on Administration and National Security regarding people who were displaced from various parts of the Rift Valley such as Njoro, Subukia, Elburgon and others during the tribal clashes of 1991/1992. Within a period of time these people escaped to Kieni Forest in the Aberdare Ranges, engaged in the *shamba* system to sustain their livelihoods up to the year 2000, when the said system was stopped. Thereafter, they were squeezed into a section of the forest and given some land for temporary shelter while awaiting Government intervention. To date, these people, numbering 805 families, are still in the forest, which is also the water catchment tower for all the water used in Nairobi and its environs.

There are also cases of the 2007/2008 displaced persons who sought refuge with their relatives all over central Kenya and other places, and are referred to as integrated Internally Displaced Persons (IDPs), and who are yet to be settled. The Chairperson should also find out from the Ministry responsible when and how these IDPs shall be settled and give a statement to this House.

Thank you, hon. Speaker, Sir.

**Hon. Speaker:** Hon. Mwadime, you placed a request.

### SUSPENSION OF THE MANAGING DIRECTOR OF KENYA PIPELINE COMPANY

**Hon. Mwadime:** Thank you, hon. Speaker, Sir. Pursuant to Standing Order 44(2)(c), I would like to request a Statement from the Chairperson of the Committee on Energy, Communication and Information regarding the suspension of the Managing Director of Kenya Pipeline Corporation, Mr. Selest Kilinda. There are allegations that his suspension was as a result of nepotism and inefficiency witnessed at the Corporation. In his Statement, the Chairperson of the Committee should clarify whether the allegations regarding the MD's suspension are accurate and if not, state whether the Government could consider reinstating him to his position.

Thank you, hon. Speaker, Sir.

**Hon. Speaker:** Hon. Mwadime, to which Committee have you directed your request? Is it the Leader of the Majority Party?

**Hon. Mwadime:** Hon. Speaker, Sir, I have directed my request to the Chairperson of the Committee on Energy, Communication and Information.

**Hon. Speaker:** Yes, Hon. Jamleck Kamau.

**Hon. Kamau:** Hon. Speaker, Sir, I plead with my colleague to give me two weeks. I think that is sufficient time for me to get the information required, and relay it to this House.

Thank you.

**Hon. Speaker:** What is your reaction, Hon. Mwandime?

**Hon. Mwandime:** Hon. Speaker, Sir, I agree.

**Hon. Speaker:** Hon. Members, I want to give a general direction regarding requests for Statements. Since there is no opportunity for Chairpersons of Committees to come here and give answers, they will be doing so by way of Reports, which can be available for hon. Members to debate. That should be the formula.

Yes, hon. Abongotum.

## STATEMENTS

### FATE OF IDPs IN GATUNDU NORTH

**Hon. Abongotum:** Hon. Speaker, Sir, the Member for Kieni sought a Statement from the Committee on Administration and National Security on the fate of squatters or Internally Displaced Persons (IDPs) in Kieni, Nyeri.

**Hon. Speaker:** Hon. Abongotum, it was the Member for Gatundu North, Hon. Kigo Njenga.

**Hon. Abongotum:** Pardon me, hon. Speaker, Sir. It was, indeed, the Member for Gatundu North, who is my good friend.

Hon. Speaker, Sir, I want to deliver the Report on this matter in two weeks' time. I want to assure the hon. Member that at one time I was an Assistant Minister for Lands and I have been to that area. I know the fate of those Kenyans. So, I will do it in two weeks' time.

**Hon. Speaker:** Hon. Members, that is a reasonable proposal, because it will enable the Committee to bring a Report to the Floor of the House for hon. Members to debate.

Is it okay with you, hon. Njenga?

**Hon. Njenga:** Hon. Speaker, Sir, it is okay with me but I want to inform the hon. Member that Kieni North is in Gatundu North, and not in Nyeri. So, the issue is about the people who are in Ikinu Forest on the Aberdare Ranges in Gatundu North. Otherwise, I am okay with the two weeks.

**Hon. Speaker:** Hon. Chepkong'a, you made a request for an intervention.

**Hon. Chepkong'a:** Hon. Speaker, Sir, the Member for Wajir North, Hon. Ibrahim Saney requested a Statement from the Committee on Justice and Legal Affairs and you directed that the Statement be brought to the House today. Unfortunately, we have not been able to get the Statement on time. I am, therefore, requesting additional time, up to Tuesday next week, so that we can bring the report to the House.

**Hon. Speaker:** Hon. Junet, I know that you have a request. I have all the requests with me. So, do not worry. I notice that Hon. Chepkong'a may not have been audible to many hon. Members. What he is requesting is extension of time, so that he can produce the report on the request made to this Committee next Tuesday.

Before we go to the next Statement, I want to give this chance to the Leader of the Majority Party, at this stage, to give Notice of Motion.

### NOTICE OF MOTION

#### APPROVAL OF SUPPLEMENTARY ESTIMATES

**Hon. A.B. Duale:** Hon. Speaker, Sir, I have tabled the Supplementary Estimates.

Hon. Speaker, I beg to give notice of the following Motion:

THAT, in accordance with the provisions of Article 223 of the Constitution of Kenya, this House approves the reduction in withdrawal from the Consolidated Fund a sum of Kshs19,605,399,382, representing the total net estimates of Recurrent and Development Expenditure made up of the following:

(i) a sum not exceeding Kshs13,267,488,318 to be granted from the Consolidated Fund to meet the expenditure during the year ending 30<sup>th</sup> June, 2013, in respect of the Supplementary Estimates II of 2012/2013 Financial Year (Recurrent) having regard to the proposed reduction of Kshs3,752,372,182 therein appearing; and,

(ii) a sum not exceeding Kshs4,711,241,844 to be granted from the Consolidated Fund to meet expenditure during the year ending 30<sup>th</sup> June, 2013, in respect of Supplementary Estimates II of 2012/2013 Financial Year (Development) having regard to the proposed reduction of Kshs33,831,757,402 therein appearing.

Hon. Speaker, Sir, the President has given consent to this Motion.

Thank you.

### REQUEST FOR STATEMENT

#### ETHNIC COMPOSITION OF NATIONAL POLICE SERVICE

**Hon. Ogalo:** Hon. Speaker, Sir, pursuant to Standing Order 44(2)(c), I rise to request a Statement from the Chairperson of the Joint Committee on National Cohesion and Equal Opportunity regarding the ethnic composition of the National Police Service in the light of the Report by Justice Philip Ransley's taskforce of 2009 on police reforms, the Report by the National Cohesion and Integration Commission on ethnic diversity and the audit of the Civil Service of 2011. The Chairperson should inquire into and clarify to the House the following:

(i) whether the National Police Service, as currently constituted, reflects the various communities of Kenya;

(ii) whether the police reforms envisaged in the Constitution have so far resulted in fairness and openness in respect of observance of human rights, recruitment, appointments, transfer, promotion and discipline of police officers;

(iii) to what extent the reforms have improved the welfare of police officers in terms of remuneration, housing, insurance and social welfare services; and,

(iv) how far the vetting of senior police officers has gone in line with the National Police Service Act.

Thank you, hon. Speaker, Sir.

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

**Hon. A.B. Duale:** Hon. Speaker, Sir, this is a joint Committee of both Houses of Parliament. The Kenya National Assembly has already nominated its membership to the Committee. The Senate is on recess. I hope that it will resume today. I expect that once they nominate their membership to the joint Committee, the Directors of Committees of both Houses will convene a meeting for the purpose of election of the leadership of the Committee. The process might take about two weeks. So, I expect the answer to come once the two Houses of Parliament form the Committee. Therefore, I would like to ask the hon. Member to wait for the formation of the joint Committee.

Thank you.

**Hon. Speaker:** Hon. Ogalo, I would advise that your request, which is in writing, should also be deposited with the Director of Committees, Mrs. Abonyo, so that as soon as the membership from the Senate is known, they may be seized of the matter jointly.

#### SHARING FORMULA FOR CDF BETWEEN CONSTITUENCIES

**Hon. Wakhungu:** Hon. Speaker, Sir, pursuant to Standing Order No.44(2)(c), I wish to request a Statement of clarification from the Chairman of the Constituencies Development Fund (CDF) on the sharing framework, or formula, for the CDF allocations for the period 2013 January to June between the 80 new constituencies and their respective parent constituencies or otherwise, bearing in mind that the new CDF Committee Members of all the 290 constituencies have been gazetted.

**Hon. Speaker:** Who is the Chair of that Committee?

**Hon. Lessonet:** Hon. Speaker, Sir, Hon. Wakhungu is not very clear in terms of what he wants; he talks about sharing, and the sharing of CDF is properly stipulated in the CDF Act. So, he should be clear in terms of what he wants to be shared between the constituencies, and then I will give a Statement.

**Hon. Wakhungu:** Hon. Speaker, Sir, I think the Chairman did not get me properly. What I meant was that you realize with the new constituencies, there are already existing projects which were falling in different constituencies. We know very well that those projects have already been allocated money. The problem is that the projects now fall in different constituencies. The issue is that some of those projects, as much as they are covered--- We need a clear framework in the sense of how that money is going to be disbursed, or how the people are going to sit together to agree and administer those projects.

**Hon. Speaker:** May I also suggest, Hon. Wakhungu, that it might help the entire House and the country if you could appear before that Committee and discuss the matter even before they produce their report.

**Hon. Lessonet:** Hon. Speaker, Sir, you are right; Hon. Wakhungu can appear before us tomorrow at 12.00 a.m. when we will be addressing that subject matter. Because that is an issue concerning all hon. Members, the 290 of them, we are going to table a report with respect to that on Thursday this week, the day after tomorrow.

**Hon. Speaker:** Very well.

TRANSFER OF EMPLOYEES AT DEPUTY PRESIDENT'S OFFICE

**Hon. Nuh:** Hon. Speaker, Sir, pursuant to Standing Order No.44(2)(c), I wish to request a Statement from the Leader of the Majority Party concerning the sackings and transfers that have gone on since the arrival of the Deputy President at what used to be the Office of the Prime Minister. There have been reports of unexplained mass transfers of staff and attempts by the same office to recruit new staff to take over from those being sacked or transferred. In his Statement, the Leader of the Majority Party should:

- (i) provide the names, job groups and reasons for transfer of the people from the DP's Office since he took over;
- (ii) inform us as to whether the transfer of Mr. Nyachio and the threat to the procurement staff is related to the saga of the "hustler" jet that flew the DP to West Africa;
- (iii) clarify the name, job group and the total number of employees who have had their permanent and pensionable terms revoked and reasons for their sacking;
- (iv) state who has since been recruited in their place;
- (v) clarify whether it is a Government's policy that each new administration should come in with its own civil servants and when the policy came into force.

**Hon. A.B. Duale:** Hon. Speaker, Sir, first and foremost I want to confirm that we are under a presidential system; so, every administration comes in with its own people, but I will give a Statement on Tuesday next week.

*(Loud consultations)*

**Hon. Speaker:** Very well.

**Hon. Ng'ongo:** On a point of order, hon. Speaker, Sir. The Leader of the Majority Party has made a very serious statement or allegation that borders on violation of the independence of the Civil Service. Is it in order for the Leader of the Majority Party to mislead this House that whenever we have a new Government in place we have to also change the entire Civil Service? I think this needs to be clarified because our civil servants need to work in offices knowing very well that they have security of tenure in those offices. Unless the Leader of the Majority Party meant to talk about certain positions like Cabinet Secretaries, Principal Secretaries or ambassadors, the Civil Service is supposed to be depoliticized. I would urge that the Leader of the Majority Party either clarifies that point or withdraws that unfortunate remark.

**Hon. Speaker:** I think it would be much better if this is included in the Statement that the Leader of the Majority Party is going to produce in the House, so that then there can be some interrogation by way of clarifications. He should not start clarifying now before he has produced the official Statement.

**Hon. A.B. Duale:** Hon. Speaker, Sir, my good friend, Hon. Ng'ongo, should wait until Tuesday. I will explain to this House how the new presidential system is managed,



what is provided and, above all, the good clarification Hon. Junet has sought. I am known for giving facts. So, on Tuesday be prepared to receive it.

*(Applause)*

**Hon. Ganya:** Hon. Speaker, Sir, the Leader of the Majority Party in this House is the bridge between the Executive and this House. He made a statement that any administration under a presidential system will have its people. Those are the words he used. Some of us have been to the USA where there is a real presidential system and we know how it works. It does not work that way. He can talk about Cabinet Secretaries, ambassadors and Principal Secretaries, but civil servants are permanent and pensionable. He has to---

*(Loud consultations)*

**Hon. Speaker:** Hon. Ganya, why are you jumping the gun? I am sure the intervention you are making now will be extremely useful when we have the Statement. Do not pre-empt the Statement. I sympathize with what you are saying but I think it will be best prosecuted after the Statement has been given.

Yes, hon. Nuh.

**Hon. Nuh:** Hon. Speaker, Sir, I would like to thank the Leader of the Majority Party for giving me up to Tuesday, next week, and also for making a futile attempt to answer the question at the moment which did not work.

Thank you very much.

**Hon. J.K. Bett:** Thank you, hon. Speaker, Sir. I would like to say that I am not prepared with the response. Maybe I will issue it next time.

*(Laughter)*

**Hon. Speaker:** That just confirms what I have been saying that Members want to ask questions and not seek statements. Nevertheless, Hon. J.K. Bett, that is okay.

#### CLOSURE/CONVERSION OF KPRL INTO PRODUCT TERMINAL

**Hon. Shimbwa:** Thank you, hon. Speaker, Sir. Pursuant to Standing Order No.44(2)(c), I wish to request a Statement from the Chairperson of the Departmental Committee on Energy, Communication and Information regarding the closure or converting of the Kenya Petroleum Refineries Limited (KPRL) into a product terminal. The oil marketers have ganged up against KPRL with an aim of having the facility closed and they seem to have support of the Government in view of the fact that the Ministry of Energy has been communicating issues related to the KPRL through the Press instead of communicating to the relevant Government departments and shareholders. This reminds us of the dark days when roadside declarations, important announcements and appointments were made through the electronic media.

Hon. Speaker, Sir, KPRL is the only refining company in Eastern Africa, and is a very important facility in this region. This is more so now that oil has been discovered in Turkana and in the neighbouring country, Uganda. This will result in us exporting our crude oil to the Middle East and Far East countries for refining and then they re-export it to the same country; this will, definitely, be very expensive.

We have seen a number of industries being shut down. This includes Pan Paper, Ramisi Sugar Factory and Kenya Cashewnuts Factory. The resultant effect has been that it has been more costly to re-open those factories than maintaining them before their closure.

Hon. Speaker, Sir, according to Legal Notice No.25 of 2012, the KPRL is granted authority to import crude oil and oil marketers are bound by an agreement pursuant to Legal Notice No.24 to buy 40 per cent of the domestically refined products from the KPRL. However, the oil marketers have boycotted uplifting the quota, thus strangling the KPRL, and now it is unable to pay its workers salaries. The KPRL, in its existence of 50 years, has been paying its workers regularly, has been remitting dividends to the Government and we have never had any problem with it. Today, we are seeing wars in the Press---

**Hon. Speaker:** Hon. Shimbwa, you are seeking a Statement and not moving a Motion for debate.

**Hon. Shimbwa:** Thank you, hon. Speaker, Sir, for your guidance. I request the Chairperson to inquire and report to the House as follows: One, why the provisions of Gazette Notice No.24 which require oil marketing companies to buy their quota from the company is not fully implemented by the Ministry of Energy and Petroleum; two, what measures the Government will put in place to ensure that the facility is upgraded to make it efficient; three, why the Government is not protecting investors and our local industries; four, why there is a hurry by Government officials to announce the closure of the refinery in the Press before the matter is discussed in Parliament or by the shareholders; and five, why the Government has not given its stand on what oil marketing companies have stated in the Press that they will not pick products from the refinery as from 1<sup>st</sup> July, 2013.

With those few points, I wish to rest my case.

**Hon. Speaker:** It, indeed, must rest.

*(Laughter)*

Hon. Jamleck Kamau, Hon. Shimbwa has rested his case.

**Hon. Kamau:** Hon. Speaker, Sir, I am just wondering whether he is right, because he has rested his case and does not need answers. However, Hon. Shimbwa has raised a very weighty matter. In actual fact, my Committee is already seized of the matter. However, in your direction you said that this has to come in a form of a report. The fact is that we also have several other statements that have been requested by hon. Members; I request that we be given four weeks to present a conclusive and clear report to the House.

**Hon. Shimbwa:** Hon. Speaker, Sir, my constituency is one of those constituencies which are hard pressed by unemployment. We are jeopardizing the jobs of

about 250 fully employed personnel, some of whom are highly qualified. We are also jeopardizing about 12,000---

**Hon. Speaker:** What is your reaction?

**Hon. Shimbwa:** Hon. Speaker, Sir, my reaction is that, four weeks is too long. We need that answer tomorrow if not today.

*(Laughter)*

My people are very anxious and they will be demonstrating tomorrow to save their company.

**Hon. Speaker:** Hon. Shimbwa, I have just directed that the responses come from Committees by way of reports. In as much as I sympathize with the plight of your constituents, it is not possible that you get that report today.

**Hon. Shimbwa:** But four weeks is too long, hon. Speaker, Sir. Thank you, very much.

**Hon. Speaker:** I agree with you. It is a constitutional right of your constituents, like others who are rioting all over---

**Hon. Kamau:** Hon. Speaker, Sir, of course we do not want to give him a half-baked report; the Committee will endeavour as much as possible to bring this report, at least three weeks from now.

**Hon. Speaker:** Very well. Remember there was a threat by seven companies not to pick products from the refinery starting from 1<sup>st</sup> July, 2013. I think that is the point Hon. Shimbwa is making. Perhaps, that is why I seem to be sympathetic to the point he is raising. If those companies stop picking products, I am sure this will have some ramifications of some sorts.

Hon. Shimbwa is three weeks okay with you?

**Hon. Shimbwa:** Hon. Speaker, Sir, I give my sympathies to the Chairman. I would actually be okay with two weeks.

**Hon. Speaker:** Very well. Try two weeks and then you can rest your case. Is that not so?

*(Loud consultations)*

Hon. Simba, yours is an intervention.

**Hon. Simba:** Thank you, hon. Speaker. It is only a concern that I have. I am a sad man this evening. As we are seated here, I cannot concentrate properly in this House because of the business which is going on outside here.

**Hon. Speaker:** Let us concentrate on what is going on inside here and leave those who want to transact theirs outside there do it. Hon. Simba, I am sure you are being heard by your colleagues who are here, and I am also hearing you. Let us proceed with our business.

**Hon. Simba:** Hon. Speaker, given that there was a purported report in the newspapers that I received Kshs851,000, I want to deny that I said anything of the sort to the media. The only thing I was doing was about my profession where I came from. I was carrying *sukuma wiki*. That is what I was doing in my constituency over the weekend.

**Hon. Speaker:** Hon. Simba, look at the Standing Orders, if you want to make a personal statement, you can do so. I will encourage you to do that because everyone here was wondering where you received that much from. I will encourage you to make a personal statement in a formal way, and we will give you time.

Let us hear a request from Hon. Irungu Kang'ata

**Hon. Kang'ata:** Thank you hon. Speaker, for giving me this opportunity. First and foremost, I want to say that it was a petition on the International Criminal Court (ICC) which I had filed and not a request. That petition was withdrawn today, and in its place I filed another petition dated 11<sup>th</sup> June, 2013.

**Hon. Speaker:** But you do not do it here.

**Hon. Kang'ata:** I seek your direction as to whether I am being called upon to prosecute the petition that was filed today.

**Hon. Speaker:** Hon. Kang'ata, you pressed your button indicating that you had a request to make. Do you want to be told how and where to lodge your petition?

**Hon. Kang'ata:** Not really, hon. Speaker. Probably, it was to make a contribution, but I can wait.

**Hon. Speaker:** The other thing is that you can lodge it in the normal way then we can have a look at it.

**Hon. Kang'ata:** Thank you, hon. Speaker.

**Hon. Speaker:** I can see Hon. Simba again.

**Hon. Simba:** Hon. Speaker, Sir, I am standing under Standing Order No. 84. I would want to ask for an apology from the Nation Media Group for purporting --- Standing Order No. 84 is on Personal Statements.

**Hon. Speaker:** Hon. Simba, do not put the Chair in an awkward situation. You can make your statement denying all that may have been reported and purported to have originated from you. But honestly, until we have heard that, it is not possible for the Speaker to start demanding, on your behalf, that the Nation Media Group apologizes. I think you can write to them and require them to apologize, if indeed, you did not say it.

**Hon. Simba:** Thank you, hon. Speaker. I want to deny categorically that I said such a thing; I have not received even a penny in my account.

**Hon. Member:** So, you were misquoted.

**Hon. Simba:** It is not a question of being misquoted; those goons of the Nation Media Group were being mischievous. Otherwise, I support strongly the independence of this House; we stand in support of Kenyans. We are doing it and it has been there ever since the 10<sup>TH</sup> Parliament, in terms of remuneration.  
Thank you.

**Hon. Speaker:** Hon. Simba, you obviously know that you have actually breached the Standing Order No. 84. You have gone ahead to make your personal statement when the House did not indulge you to do so. Nevertheless, since you had indicated that you were feeling a bit aggrieved by that report, we will excuse you. Let us hear from Hon. Ng'ongo.

#### DIRECTION ON ESTIMATES OF REVENUE AND EXPENDITURE REPORT

**Hon. Ng'ongo:** Hon. Speaker, whereas I did not want to interrupt my Chair before he moves the Motion. I am at a loss because the Public Finance Management Act, Section 39(3) is very clear that the National Assembly may amend the Budget Estimates of the national Government only in accordance with the Division of Revenue Act. The operating words there are "Division of Revenue Act." So, we are just about to discuss this Motion at Order Number 8, which in essence will ask this House to amend the Budget Estimates.

Hon. Speaker, according to the Public Finance Management Act, we are only able to transact this business after the Division of Revenue Bill has been assented to and it becomes an Act of Parliament. The reason is obvious; suppose the President returns the Bill to the House for reconsideration? Chances are that we may reduce even the allocation meant for national Government and add to county governments' allocation because that is the only way we can do it. If you do that and you have already passed the Estimates of Revenue and Expenditure, that legislation will have been in vain.

Hon. Speaker, I also want to reinforce this with Article 221(6) of the Constitution which states as follows:

"When the Estimates of national government expenditure, and the estimates of expenditure for the Judiciary and Parliament have been approved by the National Assembly, they shall be included in an Appropriation Bill---"

So, hon. Speaker, the moment we finalize this debate this afternoon, you cannot re-open it. The only thing you will have to do is to include it in the Appropriation Bill and pass it. There is no other way out.

So, I want the Chair to give direction as to, if we proceed to transact Order No. 8 and the President has not given us an indication as to whether he has assented to the Division of Revenue Bill or has referred back, chances are that we will have legislated in two ways which are contradictory to one another. Therefore, my suggestion would be that we hold on Order No. 8 as we await communication from the President. If he assents to the Bill, then we will proceed with this Motion. If he does not, then this House, and the Senate – once the decision from His Excellency the President has come - will sit and agree on the Division of Revenue Bill. We will know how much will be for national Government and how much will be for the county governments. We will then deal with the Motion on the Estimates of Revenue and Expenditure.

Finally, I have raised this matter because we passed this Act of Parliament and the Constitution, so that we can respect them. Sometimes I get a little bit sad when I find that we do not want to respect our own laws. Sometimes I am misunderstood and taken to be trying to fight some other House. I want to make it very clear that I am not against money that is going to county governments. In fact, I would even want it to be Kshs300 or Kshs400 billion, if there is a scientific way of arriving at this figure, but we would have to do it within the law.

Thank you.

**Hon. Speaker:** Very well. I quite agree with you, Hon. Ng'ongo. Can we hear a response from the Leader of Majority Party?

**Hon. A.B. Duale:** Hon. Speaker, Sir, first I want to thank my good friend, Hon. Ng'ongo because it was through him and the Budget and Appropriations Committee that a report was brought to this House last Thursday, which this House debated, adopted and

created the way for Parliament and the Speaker to send the Division of Revenue Bill to His Excellency the President. As the Chair of the Budget and Appropriations Committee moves Motion on the report of the Committee, I will need about 10 minutes to confirm to this House and the nation that the President has assented to the Bill. I am sure the President has assented to that, but I want to confirm this to the House. The law is very clear. This House debated it and there are no two ways about it. I remember that Hon. Ng'ongo challenged the Senate and up to today, none of the Senators has answered his question. He asked a very fundamental question which is: What type of a Bill is The Division of Revenue Bill? Is it a special Bill, a money Bill or a Bill that is supposed to be between the two Houses? None of them has answered that question. If you give me 10 minutes, I will just go and talk to His Excellency the President; I ask the Chair to be moving the Motion in the mean time.

**Hon. Speaker:** Hon. Members, relax. The Motion on Order No.8 will be moved. I can confirm to the House that the Division of Revenue Bill was assented to yesterday at 9.30 a.m. It is an Act. Chairman of the Budget and Appropriations Committee, please, move the Motion.

*(Hon. Musyimi crossed the Floor without bowing)*

Hon. Members, allow the Chairman of the Budget and Appropriations Committee to move the Motion. Hon. Musyimi, what did you do?

*(Hon. Musyimi went to the Bar and bowed)*

Now you are in order, Hon. Musyimi.

## MOTION

### ADOPTION OF REPORT ON ESTIMATES OF REVENUE AND EXPENDITURE

**Hon. Musyimi:** Hon. Speaker, Sir, I beg to move the following Motion:

THAT, this House adopts the Report of the Budget and Appropriations Committee on the Estimates of Revenue and Expenditure for Financial Year 2013/2014, laid on the Table of the House on Thursday, 6<sup>th</sup> June, 2013.

The Budget and Appropriations Committee is constituted pursuant to the National Assembly Standing Order No.207. The functions of the Committee are to:

- (i) investigate, inquire into and report on all matters related to coordination, control and monitoring of the national budget;
- (ii) discuss and review the estimates and make recommendations to the House;
- (iii) examine the Budget Policy Statement presented to the House.

(iv) examine Bills related to the national budget, including the Appropriation Bills; and

(v) evaluate tax estimates, economic and budgetary policies and programmes with direct budgetary outlays.

The current Estimates amount to Kshs1,628.5 trillion. The discretionary Budget for the national Government amounts to Kshs1.11 trillion. The Kshs210 billion is for counties, Kshs3.4 billion is for the Equalization Fund, Kshs19 billion is for the Legislature and Kshs16.1 billion is for the Judiciary. An additional Kshs380.3 billion has been set aside for the Consolidated Fund services. In the interest of full disclosure, and in respect of the money set aside for the county governments, namely Kshs210 billion, I wish to remind ourselves that the law provides that we give to the counties a minimum of 15 per cent of the last audited accounts. The last audited accounts approved by Parliament for the Financial Year 2010/2011 has a figure of Kshs608 billion. If we were to work with that legal figure, the amount of Kshs210 billion that we have set aside would constitute 34.5 per cent and not 15 per cent. This is more than double the required minimum threshold.

If we go with the last audited accounts that have not yet been approved by this House, namely the 2011/2012, the figure of Kshs682 billion would give us 30.8 per cent. That is still way above the 15 per cent minimum threshold that is required by the law. If we go with the projected estimates from the Treasury which are Kshs920 billion, the figure of Kshs210 billion constitutes 22.82 per cent. That is still way above the minimum legal threshold of 15 per cent. I just thought that for the avoidance of doubt, and in the interest of full disclosure, that information should be made available to this House.

Hon. Speaker, Sir, the 2013/2014 Budget marks a great milestone in the public finance architecture of this country. This is because this Budget takes into account the devolved system of government as anticipated by our new Constitution. Unlike in the past, for example, the new figures are shared between the national Government and the 47 county governments according to the responsibilities of each level of government. Public expenditure in this country has more than doubled in the last decade. It is tipped to grow as the national Government and the county governments continue to expand. As the Government borrows to finance the deficit arising from under performance of revenues, the public debt repayment is bound to go high.

Members, hard times must call for difficult choices. The Budget and Appropriations Committee is recommending, therefore, that the Government reduces its appetite and contains public spending. Indeed, Article 201(c) of our Constitution provides that the burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations. Let us not mortgage future generations through the build-up of public debt.

Let us not mortgage the future generations. This would mean passing a huge debt to our children and their children. Just to remind ourselves this debt has rapidly accumulated in the last few years, and it is now estimated to be close to 50 per cent of our GDP. This is not the route any leadership would wish to follow.

Can I just remind us, hon. Speaker, Sir, that many years ago the former President of Zambia, Mr. Kenneth Kaunda, after retirement, came to this country. He was interviewed by one of the dailies at that time. He was asked: "What is the one thing that

you would do differently were you to go back to Zambia and become the President of that country? What is the one mistake that you might say that you made?" This is what he said: "When I was the President of the Republic of Zambia we made the mistake of subsidizing consumption instead of subsidizing production." That is the burden of our Report today. Let us not subsidize consumption; rather let us subsidize production.

Hon. Speaker, Sir, provisions for debt, pensions and salaries for constitutional office holders are provided for under the Consolidated Fund Services (CFS). These have risen in the recent past. The Committee noted with concern that with the rise of the CFS allocations our national Budget is also becoming increasingly inflexible. This is because the CFS services are a mandatory expenditure that is by law predetermined and it must form a first charge to the CFS. What this means is that the level of resources available to the Government to allocate by discretion is actually reduced. We should realize that the rising deficit will have huge implications for our future Budgets. It will limit our capacity for discretionary development.

Huge sums of money are spent on numerous non-core items such as foreign travel, hospitality and so on. Article 201(d) of the Constitution states thus: "Public money shall be used in a prudent and responsible way." As noted earlier we must make every effort to reduce wastage of public resources and apply them to the most productive activities. Indeed, hon. Members, the principle that should guide budget-making should, therefore, be to achieve the greatest public good in the most cost effective way.

In reviewing the 2013/2014 Budget Estimates, my Committee held public hearings on the estimates in 10 centres across the country. These were Mombasa, Nyeri, Kisumu, Embu, Nakuru, Kakamega, Garissa, Eldoret, Nairobi and Isiolo. Public hearings were conducted to receive recommendations of Kenyans on the proposed Budget Estimates. The proceedings of these hearings are annexed to the Report tabled before this House.

On the overview, the public asked my Committee to prioritize the following five areas:

1. youth empowerment and employment creation;
2. provision of basic social services, education and healthcare;
3. food security;
4. roads and infrastructure; and,
5. security;

After consultations with the public and Departmental Committees of this House, my Committee proposed the adjustments in some areas of the Budget, which were found not to be of priority for this country at this point in time. My Committee also sought to ensure that non-priority expenditures are kept at an absolute minimum. This Committee is aware of the need to check excessive growth in public spending and we, therefore, propose the following adjustments.

Under the National Treasury, I beg your pardon---

*(Laughter)*

That is not a Freudian slip. It is a genuine slip of the tongue. Under the National Treasury the budgets for human resource reforms be reduced by Kshs1.5 billion. This is



because the costing of the programmes was not exhaustively done. The provision for the Public Procurement Oversight Authority be reduced by Kshs19 million, because of the limited absorption capacity of this agency. The allocation for establishing an expert service scheme be scaled down to Kshs100 million. The Committee felt this was sufficient for the programme. The provision for the Financial Reporting Centre be reduced by Kshs150 million, this is because of the limited absorptive capacity of this agency. The allocation of Kshs100 million to the Nairobi Financial Centre was found to be a duplication of roles, so, this was reduced to zero. Refurbishment of the Treasury building at a cost of Kshs278 million was also reduced to zero. This, we did not feel was a priority project.

Let me pause, perhaps, to indicate that as we are all aware in the 10<sup>th</sup> Parliament the Government of the Republic of Kenya had 42 Ministries. This time we have 18 Ministries. That is a major improvement and credit goes to the new Constitution and to our President. They could have been more than 18, but he chose to have 18. When the Treasury brought a figure to us that they wish to do some work on their building - they were proposing to erect a connecting bridge between Treasury and Bima House, we asked ourselves: Should we not get a master plan? Now that the Ministries have come down from 42 to 18 what we should actually get is a real master plan for the Treasury and for all the other Ministries that are affected.

We gather that the President prefers to work from State House and that is commendable for many reasons. Maybe time has come to give more facilities to the President at State House. We might want to move other departments that work closely with him on a day to day basis near State House. An example I have here is the Office of the Deputy President and Ministry of Foreign Affairs.

The point was also made that given the difficulties we are having acquiring properties near Parliament, maybe time has come for us to find ways of taking over the Attorney-General's Chambers. If that rationalization is made, the Attorney-General's Chambers could be moved to another building, maybe Office of the President or the current Office of the Deputy President and so on.

Granted that the number of Ministries has been reduced from 42 to 18, what my Committee wants is a thorough and proper rationalization---

**An hon. Member:** Prudent.

**Hon. Musyimi:** Yes, prudent.

We want a bold proposal. We are a bold people and we work with bold ideas. We want a bold proposal that will help us, so that we help in serving our people. It is on that basis that we felt that the Kshs278 million was rather piecemeal, and so we reduced it to zero.

*(Applause)*

With regard to constitutional reforms, they had been allocated a lump sum amount of Kshs4 billion. This did not really have clear targets. We also reduced it to zero.

*(Applause)*

The Kshs2 billion for irrigation projects in schools, the Committee was not convinced are viable; we equally reduced this to zero.

Hon. Speaker, Sir, Kshs105 million for construction of green houses in schools, which the Committee was not quite convinced were a priority was also reduced to zero.

Hon. Speaker, Sir, Kshs75 million for the Privatization Commission is also being reduced to zero. The recurrent budget to transfer to all semi-autonomous Government agencies, as they are called, is proposed to be reduced by five per cent to curb growth of non-priority expenditures.

.We recommend a reduction of 30 per cent on provision for hospitality supplies, foreign travel, printing and advertisement in all government agencies in the national Government to maintain austerity measures on these none priority items, as instituted by Parliament in previous Budgets. We further recommend that allocation for all commissions be reduced by 15 per cent so as to curb the growth in non-priority recurrent costs. We also propose a reduction to the allocation of the Parliamentary Service Commission from the requested amount of Kshs24.5 billion to Kshs19 billion, which the Committee considered to be quite sufficient even for an expanded Parliament. We recommend that the ceiling to the Judiciary be limited to Kshs16.1 billion, out of which Kshs1 billion is for construction of courts in the counties. The Judiciary's request for purchase of an aircraft has been declined by my Committee.

Hon. Speaker, Sir, arising from these adjustments, some additional resources were committed to projects that the Committee thought were of high priority as well as areas which create opportunities for the youth, and the need to stimulate economic growth, as follows:

(i) Kshs3 billion has been allocated to the Ministry of East African Affairs, Commerce and Tourism specifically for tourism-related initiatives;

(ii) Kshs3 billion has been allocated to the Ministry of Industrialisation and Enterprise Development for jumpstarting industrial growth and creation of opportunities for our youth;

(iii) Kshs1 billion has been allocated for revamping of the Kenya National Data Infrastructure under the Ministry of Lands, Housing and Urban Development for the country to fully digitise lands records;

(iv) Kshs200 million has been committed to a bridge project recommended by members of the public in Isiolo; and,

(v) Kshs300 million has been allocated to Konza City, which has potential for creation of opportunities for our youth.

We wished we could do more for Konza City but our hands were tied.

Hon. Speaker, Sir, on behalf of my Committee, I would like to give notice that the following addendum to the Report on the 2013/2014 Budget Estimates be taken into account:

(a) THAT, paragraph 10 of the Report be amended by amending line three by deleting "Kshs300 million" and substituting therefor "Kshs500 million";

(b) THAT, paragraph 10 of the Report be amended by inserting the following items immediately after item 7-

(i) Kshs1 billion be allocated to Geothermal Development Corporation;

(ii) Kshs1.34 billion be allocated to Rural Electrification Authority;

(iii) Kshs700 million be allocated to Kenya Electricity Transmission Company; and,

(iv) Kshs300 million be allocated for solar projects under the Ministry of Energy.

During our interaction with members of the public, as well as consultation with the Departmental Committees; we identified other key projects and programmes which require funding. A list of those projects has been attached to the Committee's Report and recommended for prioritisation, should additional resources be identified. The recommendations that the Budget and Appropriations Committee is making to this august House are as a result of a highly consultative process arising from a thorough scrutiny of the Estimates; intensive sessions with the Departmental Committees, the views of members of the public and the Cabinet Secretary, National Treasury, Mr. Henry Rotich, and his team, as required by law.

Hon. Speaker, Sir, allow me to thank hon. Members of the Budget and Appropriations Committee for the dedication and commitment they demonstrated during the review of the Estimates, which was done in a very short time. My appreciation also goes to the Departmental Committees for their support to my Committee. I also thank hon. Members for their involvement in these deliberations, directly and through the various Committees to which they belong. May I also take this opportunity to thank the members of the public and other stakeholders for their participation in this exercise.

With those few remarks, I beg to move and request Hon. Richard Onyonka to second the Motion.

**Hon. Speaker:** Yes, Hon. Onyonka.

**Hon. Onyonka:** Ahsante, Bw. Spika. Nitaiunga mkono Hoja hii, nikitumia lugha ya mama ya Kiswahili.

*(Loud consultations)*

**Hon. Speaker:** Hon. Members, allow Hon. Onyonka to second the Motion. He is perfectly in order to use the national language.

**Hon. Onyonka:** Ahsante, Bw. Spika. Tafadhali, ndugu zangu, muniwie radhi. Tukiikuza lugha yetu ya Kiswahili, Kenya itakuwa nchi nzuri zaidi.

Bw. Spika, kwanza, ninaiunga mkono Hoja hii kwa sababu, sisi, kama wanakamati wa Kamati ya Bajeti ya Bunge, tuliketi pamoja tukakubaliana kuhusu Ripoti hii. Hakuna mwanakamati hata mmoja aliyepinga masuala ambayo Mwenyekiti wetu ameyaangazia. Kwa hivyo, ninawasihi wanasiasa wasilete siasa kwa ugavi wa mali humu nchini, na haswa kuhusu masuala ya Bajeti. Kama kuna jambo ambalo walitaka kulizungumzia, wangekuja kwenye ile mikutano iliyoandaliwa washikadau kule mashinani. Wangezungezia mambo hayo wakati huo. Kwa hivyo, haifai mtu yeyote kusema kwamba hatukufanya vile walivyotushauri tufanye.

Pili, ni lazima Wabunge waelewe kwamba nchi yetu ya Kenya ina shida ya upungufu wa Kshs102 bilioni. Kwa sababu ya upungufu huo, hatukuweza kuyakidhi matakwa ya kila mtu. Kwa hivyo, tunawasihi ndugu zetu watuwie radhi na wakubaliane nasi kwa sababu tumejaribu sana.

Tatu, sababu iliyotufanya tusiongeze kiasi cha hela zilizotengewa serikali za kaunti ni kwamba hela hizo haziko. Pia, ukiangalia Ripoti ya Auditor-General, utaona

kwamba hata yeye hajui jinsi hela zitakavyotumika. Kwa hivyo, alitushauri tuzipatie serikali za kaunti kiasi hicho cha Kshs210 bilioni mwaka huu. Mwaka ujao, tutajua serikali za kaunti zilitumia hela hizo namna gani, na tutawaongeza kukiwa na haja ya kufanya hivyo.

Bw. Spika, hata Mamlaka ya Mpito haijui hela tunazotengea serikali za kaunti zitatumia namna gani. Mamlaka hiyo haijui bei za vitu. Haijulikani ni kitu gani kinatakiwa kufanywa. Kwa hivyo, wametushauri tuwapatie Magavana hela walipe mishahara ndiyo waanze kujiandaa kwa miradi watakayofanya. Mwaka ujao, tutaanza kuangalia iwapo kumekuwa na makosa ama la.

Mwenyekiti wetu alijaribu sana kutusihi; alituuliza kama ingewezekana kwa serikali za kaunti kuongezewa pesa. Walisema hawakuwa na pesa ambazo wangetumia kwa maendeleo. Kwa ujasiri wa Mwenyekiti wetu, tulikubaliana kuwa hivi karibuni tumwite Waziri wa Fedha, magavana wote and hii Kamati ya Bajeti tuzungumzie vile mwaka ujao pesa zitagawanywa kwa serikali za kaunti.

Mwishowe, ningependa kusema tulitembea Kenya nzima na tulizungumza na wananchi. Na ningependa kukataa kata kata kwamba tulipoenda Kisumu kuna mtu lipiga Kamati yetu mawe. Ningependa kumalizia kwa kusema kwamba tulikaribishwa Kisumu na wananchi walizungumzia kwa ukali mambo ambayo yalikuwa yanawakera ya maendeleo. Walikuwa wanataka Bunge lihakikishe kwamba mwaka ujao, ikiwezekana, Wabunge waondoke Nairobi na kutembelea mashinani ili wananchi wawaambie vile wangependa pesa zao zigawe ili Kenya iwe na maendeleo ya usawa.

Kwa hayo machache, naunga mkono.

*(Question proposed)*

**Hon. Speaker:** Hon. Members, when you make a request and disappear, you should withdraw it.

**Hon. Gikaria:** Hon. Speaker, Sir, I rise to support the report by the Budget Committee and more so I take this opportunity to thank the Committee for the contribution and the good work they have done within such a short period. Secondly, I want to thank His Excellency the President, as you have informed the House that he has already assented to the Division of Revenue Bill. This is because the President had said he would adhere to the Constitution. I think he only did that on the basis of what the Act required of him to do.

I think the Committee, as it has informed, the 34 per cent to the county governments is way above what the Constitution has given of 15 per cent. Maybe this is just to reiterate and advise the county governments that they should not concentrate so much on what is given by the Central Government but also try and concentrate on how much they can raise through their own local resources.

The other issue that I want to thank the Committee for is the public hearings. I was with my brother, Hon. Onyonka in Kisumu and the public hearings were very effective. People at the counties gave their views and what they thought. I want to thank the Committee for having considered a great portion of what the public gave in terms of their input towards the national Budget. There is also the issue of semi-autonomy. I want to thank the Committee for having requested that the semi-autonomous institutions must

also show that they can generate – not only to receive money from the Government – or indicate that they are also capable of generating some income for the purposes of meeting some of their expenses. Of course, the meeting with the governors as it has been indicated by the Committee was very fruitful. I want to thank the Committee for taking time to try and explain to the governors the reasons for coming up with that figure.

Hon. Speaker, Sir, I want to thank the Committee through their Chair because they were able to save over Kshs15 billion. They have reallocated the monies to various departments which will go towards the implementation of the Jubilee Manifesto, especially the Kshs3 billion which has been given to industrialization to create jobs at the county level. This was a very noble idea. This money is going towards increasing job opportunities that the Jubilee has already indicated.

Secondly, improving the Registry Department of the Ministry of Lands will go a long way in trying to solve the issues of people queuing at the Ministry of Lands for information. On the additional allocations to the Constituencies Development Fund (CDF), the CDF has improved the lives of ordinary Kenyans especially on education because over 70 per cent has been going towards education at the constituency level. I want to thank the Committee for having taken time to add some money to the CDF.

Lastly, it is the issue of public procurement. Public procurement has been seen as a way the Government has been losing money and (*inaudible*)---

**Hon. Speaker:** Have you concluded your contributions?

**Hon. Gikaria:** Hon. Speaker, Sir, I was just about to.

**Hon. Speaker:** Continue; you still have time. It looks like the machines are not in your favour. I think they are working now.

**Hon. Gikaria:** Hon. Speaker, Sir, I was just about to finish. I was saying that the Public Procurement and Oversight Authority is supposed to save the many millions that have been lost by the Government. I would like to say that the Committee did a very good work in advising and saving the few shillings that we are supposed to save.

Lastly, as the Departmental Committee on Administration and National Security, we have said that there is rampant insecurity in this country. One of the issues that we got from the relevant authorities or Government agencies, especially the Inspector-General of Police and the National Police Service Commission and others is that they are not funded enough to handle the security issue. We had made a request through our Chair to consider allocating a few shillings to improve security. They have indicated the areas that need to be taken into consideration and the budget totals Kshs16 billion. I would like to urge that immediately the money is available from whichever quarter, we would like the Inspector-General of Police and others who are in charge of security to be allocated that money so that they can address the very pertinent issue of insecurity within our Republic that keeps on rising in this House.

Hon. Speaker, Sir, with those few remarks, I support this Motion.

**Hon. Ng'ongo:** Thank you, hon. Speaker, Sir. I want to support the Motion. First of all, I would like to say that this is the third year since the promulgation of the 2010 Constitution that we are preparing the Budget under the new dispensation. This is the first Budget that is being processed under the Public Finance Management Act, 2012.

The Budget Committee expected to see a uniform format both for the National Government, Parliament and the Judiciary. However, to our surprise, Parliament, the

Judiciary and the National Government came up with different formats of the Budget process. We advise that the law contemplates that the Cabinet Secretary responsible for Finance needs to bring to this House policies and rules that will govern the budget-making process so that there is a difference in the next financial year when we embark on the next Budget cycle which will begin by 30<sup>th</sup> August, this year.

Hon. Speaker, Sir, after this House approves these estimates today or immediately thereafter, we expect the Cabinet Secretary, within 21 days, to consolidate and publish in the *Kenya Gazette* and also make it public in the media for Kenyans to know which Budget we have passed. We hope that the Cabinet Secretary will make sure that, that particular provision of the Act is followed to the letter.

Hon. Speaker, Sir, I know that on Thursday we expect the Cabinet Secretary to come to this House and make policy highlights and spell out revenue raising measures, if we adjust our Standing Orders. He will spell out how exactly we will finance the Kshs1.6 trillion Budget that we have. This is not a small Budget but a record Budget. However, my only concern is that this Budget over-relies on the possibility of changing or amending the Value Added Tax Bill. Unless this Bill that is before this House is passed, we are not likely to raise the over Kshs900 billion or almost Kshs1 trillion in terms of ordinary revenue. This will be tricky for us, as a House, because if you look at the provisions of that Bill, and I really do not want to anticipate debate, you will find that a lot of it may not be very comfortable with us because it will raise the cost of living in this country.

That being the case, in the event that that VAT Bill will not be passed in its current form, then we run a risk of failing as a country to realize the revenue that we have projected to realize. In that case, we will either fail to implement some of the development projects or alternatively, we will have to borrow more either domestically or externally. You know the risk of domestic borrowing. This is because we will cloud the private sector from the market.

Hon. Speaker, Sir, some questions have been asked. I have heard some people raise the question on why we took away Kshs4 billion from the Treasury meant for constitutional implementation. The answer is simple. I remember sometime in 2011, before most of the commissions that we have today were put in place; that is before the various Acts setting these commissions were put in place, we decided to provide a solid line item or a block item in our Estimates. That is under the Treasury. That was so, so that the moment the commissions are in place the money would be released to those commissions.

The Treasury has continued to carry along that Budget line even after various commissions are already in place; actually all of them that are contemplated in the Constitution are in place. Therefore, there was no need to budget under the Treasury a block figure for constitutional implementation because those amounts go to the line ministries. That is why the Departmental Committee concerned advised that we re-allocate that fund and I think it is perfectly in order. However, that raises the question of carefulness. If the Treasury can make such provisions which should not be there in the first place, then this House has its job cut out for it.

Finally, I want to revisit the issue of how much goes to the county. I think this country needs to get the full detail of these things. The issue of Kshs210 billion and

Kshs258 billion---This is why sometimes I see dishonesty from the Senate, and with all due respect to the Senate, they are talking about the Kshs258 billion like it is a figure they have objectively derived from somewhere. The truth of the matter is that the Kshs258 billion is not new. This figure was arrived at by the Commission on Revenue Allocation (CRA). The Kshs238 billion was unconditional or sharable amount to be devolved while Kshs20 billion was conditional grant. What happened is that the CRA had a meeting with the Treasury, and that is what we were informed as a House, because we were also aware of the Kshs258 billion. We were informed that they arrived at the figure in that meeting which was consultative. This is because initially, the Treasury had provided Kshs175 billion and the CRA had indicated Kshs238 billion sharable. They arrived at a figure of Kshs190 billion.

Hon. Speaker, Sir, budget-making process is give and take. It is a consensus kind of process. So, once the National Assembly was given these figures, we were persuaded that for the first year the capacity is still lacking when the counties are setting up structures and that there is need to allocate them money but next year we will not tell them “because you failed to absorb, we are reducing your budget”. In fact, it is in the interest of the counties not to ask for too much in the first year. I am speaking this with authority as an expert in finance. I would rather ask the governors to listen to me. In fact, giving them more money is like committing suicide. What the governors should do now with the Senate together with the Treasury is to embark on a rigorous exercise of costing the functions so that we can know how much it costs to run our 47 counties. If it is Kshs300 billion, this House has a duty and obligation to give out that money. I do not think that we, as the National Assembly, are against devolution. If there are some of us who are against devolution then they are few. Many of us want to support devolution but we do not want to give out money that may probably be excess and we will reduce next year but is fundamental.

Finally, and which is also fundamental, I will now ask my colleagues, not only in the Senate, but even the county assembly representatives to take interest in the budget of various counties. Looking at those budget proposals, they do not look like budgets. How can a county budget be Kshs21 billion and with an income of only Kshs5 billion? A budget must balance; you have to show that this is what we intend to spend and out of it we are going to get this revenue and in the event that we are going to fail, we will get the rest from external or domestic borrowing. But you cannot give a hanging budget. It does not make sense.

So, with regard to our counties, I think we need to give them capacity on how to prepare the budget. We should not look at them and think that they are independent institutions there. I think we need to come in and especially the Senate should look at the budgets of the counties and see if they make sense.

Hon. Speaker, it is also irrational to borrow to put up mansions in one year for deputy governors, for example, it does not make sense. I have looked at the budget proposals for three counties and you find a county is struggling to put up a house for a governor within one year; a house of deputy governor for one year, buying vehicles for the 11 county executive officers within a year; buying a fleet of vehicles for governors in one year. Let me tell you that Kenyans are going to be disappointed if we do not rein in the counties, and if we do not put the governors to account.

(Applause)

Hon. Speaker, our responsibility as elected leaders is not to look at governors and see them as mini-presidents in the counties. No! We want to ask them to do things that Kenyans wanted – Kenyans wanted devolution for a reason. They wanted devolution because the money that was lying idle in Nairobi was not benefiting anyone. If it was, only a few were benefitting. We do not want to devolve such inefficiency and ineffectiveness to our counties.

It is my plea that, because this is a direct mandate of the Senate, they need to rein in the county government management so that we realize value for the money that we vote for the counties.

Thank you, hon. Speaker, I support.

**Hon. (Ms.) Shebesh:** Thank you, hon. Speaker. I want to support this Motion. First, I want to congratulate the Budget and Appropriations Committee for leading us during this historical time when we will be putting in a lot of---As the Budget and Appropriations Committee and as a Parliament, our House has been given the priority to re-allocate funds.

Hon. Speaker, when the budget proposals came to this House, you know very well that you could only change the budget by 10 cents; something which was really ridiculous. But now as a House - that is why we are sure that we are a very important House - we can re-allocate revenue according to the priority of Kenyans. Therefore, I want to congratulate the Chair of the Budget and Appropriations Committee and its members. But as I do that, let me say that I see a lot of bias towards allocation of funds that ignore the important county of Nairobi. I am elected by Nairobi county residents and so I am forced to call out on a few issues and areas that I see that we must bring amendments. As we pass this Motion, I will be bringing them.

One of the biggest issues that I see, and I am very sad because it has not been given priority by the national Government, is the issue of security. Just this weekend more grenades exploded all over this country. Nairobi County has been a victim of grenade attacks. In fact, one of our hon. Members, Hon. Abdi Yusuf Hassan, MP Kamukunji Constituency, who we are happy to see back in the House has been a victim of grenade attacks. We cannot continue with police service that is not given enough money to have intelligence to be able to tell where these grenades are and where the next attacks will be.

I will, therefore, be pushing for more money to be put in the security sector and especially that which has to do with terrorist attacks that we are having, not only in Nairobi but in many parts of this country. I think it is a priority.

Hon. Speaker, I also see very shockingly a programme on sanitary towels that was celebrated by women and young girls who go to school. This programme was allocated Kshs500 million but it has low allocation. As a Government, what has been celebrated by previous Governments should be encouraged to go on. Those sanitary towels are not a luxury; they were allowing many girls to attend school full time, like their male counterparts. Without those sanitary towels, we lose many young girls. I will bring that amendment because I do not see the allocation, although I am happy that the Budget and



Appropriations Committee does raise it as one of the priority areas that it wishes that the National Treasury would have re-looked at.

I also want to talk about the allocation of money that has been given to the Kenya Data Networks on the expansion of the Fibre Optic Cables. It really does not matter how much you expand it. If we do not give money to counties, especially those that are urban, to set up call centres so that our young people can get work, we will not achieve much. The Fibre Optic Cables make our internet provide service faster and the venture is one way of creating employment and the kind of employment that we can get is really amazing. For example, if you call your helpline on the mobile number you use, probably you will be attended to by somebody who is in India. Why not Kenya and yet our education system has been one of the best; our English is probably one of the best without accent? This is an area that we are avoiding and yet it can create employment opportunities and we do know that we need employment opportunities in this country.

Hon. Speaker, another area that I am worried about is the integrated learning. We have spoken many times about free primary education, but there is nothing free if it discriminates some parts of society. Today people and especially children living with disabilities do not have free primary education. This is because we have pushed aside integrated learning. Public schools are given enough support in terms of finances so that children with disabilities can learn with other children. They should not be discriminated. That allocation that was promised by the previous Government is not there. It does not matter how much money we allocate, if we do not allocate money where it touches the lives of ordinary Kenyans, it will not touch the core of the people. It may help the Government, it maybe infrastructural development, but if it does not go into creating employment, doing integrated learning, for example, to children with disabilities, helping young people to get employment and women to do business; we might be doing a lot of good work but it might not help the people of Kenya. I will be bringing these amendments, but I want to congratulate the Budget and Appropriations Committee for the excellent work.

I support.

**Hon. Wakhungu:** Thank you, hon. Speaker, Sir. I rise to support the Motion.

First, I want to congratulate His Excellency the President for assenting to the Division of Revenue Bill. I want to confirm that, by him doing that it does not mean that he is declaring the Senate impotent.

Hon. Speaker, we are here as two Houses to work together as a team. Indeed, Kenya is a signatory to the East African Treaty and we are aware that other countries are supposed to be releasing their budgets within this week. So, I thank His Excellency the President because it is going to help us to adhere to the obligation that Kenya has in terms of releasing the Budget to avoid aspects of speculation. Indeed, it confirms that we are an Upper House for that matter.

Hon. Speaker, Sir, agriculture is very critical and we know very well that the backbone of this country is agriculture. Indeed, I am happy that we have allocated some money to agriculture. When you look at the Maputo Declaration the member countries agreed that 10 per cent of their Gross Domestic Product (GDP) should go towards food security. Unfortunately, for now, we have not managed to reach 10 per cent. But in future, while on the right course, we can increase allocation on agriculture.

Hon. Speaker, more importantly, fertilizer is more critical as far as increasing the yields of our farmers and food security are concerned. I am happy the Committee recognized the importance of setting up a plant to manufacture fertilizer in this country. That is commendable job and I think it will add value in terms of enhancing food security in this country in line with the first goal of the Millennium Development Goals (MDGs) which is elimination of extreme poverty and hunger.

Hon. Speaker, Sir, research has shown that 70 per cent of the unemployed people in this country are the youth. Indeed, I am happy the Budget has directed a lot of attention to youth empowerment and employment. We can see that the youth fund is going to be channeled through other intermediaries like the Savings and Credit Cooperative Organization (SACCO), but not through the normal commercial banks. We have had issues when the money goes to these commercial banks, there are a lot of restrictions and the youth cannot access the money on time. Those are wasted opportunities.

So, indeed, we support the aspect of SACCO and I am happy SACCO Societies Regulatory Authority (SASRA) is there enhancing governance when it comes to SACCOs. The SACCOs are very important in this country. Research has shown that in terms of deposit, it contributes about Kshs400 billion and it is important that we must give a lot of attention when it comes to SACCOs.

Security, indeed, is very important. If we want to attract investors, we must enhance security in this country. We have had a lot of insecurity cases. I am happy the Budget has put emphasis on security matters. As you can see, there is money allocated to purchase two aircraft for the police. This is very important compared to the Judiciary which was looking for a plane, but this was not a priority. When it comes to security, we support the purchase of the two aircraft. Again, in many police stations in this country, there is shortage of motor vehicles. In this Budget, there is an allocation of Kshs15 billion to purchase motor vehicles. This will go a long way in enhancing security and helping the police. It is not only the purchase of motor vehicles, but there is a big allocation of Kshs6.6 billion for training and modernization of equipment for our security personnel. Thugs have advanced and have more advanced firearms than our Police Force. Indeed, this Budget has focused on modernization and it is going to contribute in a big way in terms of enhancing security.

**Hon. Lessonet:** On a point of order, hon. Speaker, Sir. I just want my friend, Hon. Wamalwa to go to the right section of the report. He is misleading Kenyans that we have allocated money to buy two aircraft for the police, which we have not. He has also said that we have allocated Kshs15 billion for the modernization of the police vehicles, which we have not. He is looking at a report which states “key priority areas not funded”. I just wanted to correct him.

**Hon. Wakhungu:** Hon. Speaker, Sir, I think Hon. Lessonet did not get me right. I said that the Budget took note of some of the key areas which were not funded, but in the future, they are going to be funded including the purchase of the aircraft.

Secondly, education is very important as far as the empowerment of any country is concerned. As an educationist, when we went round, we saw teachers bringing their grievances in terms of their promotions and some allowances. Indeed, this Committee took a lot of attention in terms of improving the welfare of teachers. As we can see, an allocation is set aside to employ more teachers. The 2,000 teachers may not be enough,

but it is a starting point. The Budget and Appropriation Committee has done wonderful work. I request them to set aside more money in future, so that we can employ teachers for purposes of improving the education standard in this country.

I beg to support.

**Hon. A.B. Duale:** Hon. Speaker, Sir, from the outset, I want to thank His Excellency the President for assenting to the Division of Revenue Bill as per the Constitution. Through your indulgence, I also want to make this Statement very clear from the Floor of this House that devolution is not a choice. Article 1(4) of the Constitution says-

“(4) The sovereign power of the people is exercised at—

(a) the national level; and

(b) the county level.

There is a whole chapter on devolution. The topic on objects and principles of devolved government is found on Article 174. The people of this country voted for this Constitution. The money that has been allocated to the national Government will serve the people of Kenya. The money allocated to the county governments will serve the people of Kenya. From the outset, I want to ask the Ethics and Anti-Corruption Commission (EACC) to make sure that they have offices in all the 47 counties, so that the Kshs210 billion that is going to the county governments is handled transparently. I will ask my colleagues here that the development money that is going to the county governments must be shared per constituency. For example, the County of Garissa has six constituencies. If the amount of development is Kshs2 billion, it must be shared among the six constituencies so that the Members of Parliament and the county leaders can follow that money. I want to tell the people who are saying that Parliament is fighting devolution that we are the ones who passed the Constitution. The role of the county assembly passed through the 10<sup>th</sup> Parliament. Some of us were in the “Yes” camp and we voted for the Constitution.

I want to urge our leaders that the 34 per cent is double the 15 per cent that is given by the Constitution and it must be respected. I want to tell our colleagues at the counties that we want to support them at the county level. We want the governors and the county assembly to work and help our people. Secondly, the Public Finance chapter in this Constitution is very clear. Article 202 says:

“(1) Revenue raised nationally shall be shared equitably among the national and county governments”.

This is the law. There is nowhere where it says that all the revenue raised nationally will be given to the county governments. Our Constitution provides for 15 per cent. So, there are many people out there who want to own and own, and say that the baby called “devolution” is their baby. We are telling them that they are wrong. Devolution is not a choice. It is in the Constitution and owned by the Kenyan people. It is not owned by a political party. It is not owned by the governors or by any leadership of any standing. As a House, ours is to make sure that we create the necessary infrastructure in terms of legislation to make sure that devolution is achieved both in the letter and the spirit for our people to gain. I want to thank the Budget and Appropriations Committee chaired by my good friend and a man that I respect, Reverend Mutava Musyimi. It is the new Constitution that gave this House the powers to do the formulation and the

discussion. That mandate is the one that made each and every Committee of this House to make a submission to the Budget and Appropriations Committee. They have indicated that they have worked long hours to make sure that they meet the deadline.

Article 221(4) and (5) of the Constitution specifically gives Parliament the ownership in the budget-making process. So, what we are doing is an assignment derived from the Constitution. This is a very unique year where elections were held in March, but ideally, the budget-making process must start and be completed within a period of 10 to 11 months. So, we expect that the Budget and Appropriations Committee, the National Treasury and Parliament will get the 10 to 11 months in the law within which this Budget must be completed.

Article 114 of the Constitution also gives the relevance under the money Bill that gives Parliament the powers to consult and work with the National Treasury and the Cabinet Secretary in charge of the National Treasury. The Budget Estimates and the Public Finance Management Act, 2012, were followed to the letter by the Budget and Appropriations Committee. This Committee, in its wisdom, and the House in general, if they feel that we need to change some sections of the Public Finance Management Act in order to put it in line with the long-term, short-term and the Medium-Term Estimates review, that can be done.

I want to look at one very important thing that this Committee has done. It has shown the National Treasury the priority areas. They have focused on the youth. Again, they have said that the youth fund must be restructured. The youth fund is just moribund.

Hon. Speaker, Sir, commercial banks are making money out of the Youth Enterprise Development Fund (YEDF) when our young people are out there jobless. This Committee has made a serious recommendation on the restructuring and access of these funds. The Committee has recommended to the National Treasury and more so to the Cabinet Secretary for Devolution and Planning - and I hope Madam Anne Waiguru is listening to me - that these intermediaries or these banks which are holding billions of shillings lying to our young people, this year it must cease. This money must go to SACCOS. The money should go to where our young people can access it. We want to see this money in our constituencies. When you put billions of shillings in Equity Bank, Barclays Bank and other commercial financial institutions you are only raising the liquidity ratio of those banks and at the end of every financial year the banks will claim that they have this and that amount of deposits. These are deposits from the Government that do not help our young people.

Of course, this Budget highlights the Jubilee Manifesto. There are issues of free maternity, the training of teachers to handle laptops and so on. In three months, there are thousands of kids who are now called "Uhuru Kenyatta". It is not because the mothers wanted to call them that but they had been detained in hospitals. One morning, on 1<sup>st</sup> June, 2013 the President said that for all mothers maternity fees is excused. Today we have many Uhuru Kenyattas at the age of 13 days. There are many Margaret Kenyattas. There are many Rutos and many Rachel Rutos. When was the last time a child was named after a Head of State? This is as a result of the Jubilee Manifesto.

*(Loud consultations)*

Hon. Speaker, Sir, I wanted to cheer up the House. With regard to security I want to support the Member for Kiminini. He is right. This Committee has not touched what the National Treasury allocated to defence and security. The National Treasury has allocated enough money for housing, that is, 30,000 units across the country. This has never happened. The policemen in Kitale, Garissa, Mandera and Kajiado, this financial year, will have houses, vehicles and better intelligence gathering. We know that this money will be used to the last penny.

The war on terrorism needs resources. Our police officers need equipment. We want our police officers to move. We want more personnel. Money has been allocated and the Budget and Appropriations Committee did not touch that.

Infrastructure receives the highest allocation. For the first time after the Indians in the 1800s built the Mombasa-Kampala Railway, I want to state that the Jubilee Government has now allocated money for the building of a standard gauge railway. This railway will accommodate 90 per cent of the cargo from the Port of Mombasa. Our roads will not be used any more by big trucks. Importers in Uganda, Rwanda, Burundi, DRC and South Sudan will get their cargo within seven days. That will improve the efficiency of Mombasa.

The Ministry in charge of infrastructure got the second highest allocation. My good friend, Hon. Mbadi, is not here. I want to urge him that we will follow the law. After these estimates are adopted within 21 days they will be consolidated and gazetted. This is a Government that believes in the rule of law and that is why the President assented to the Bill. In the last Parliament, many Bills were brought back unsigned to Parliament. This is because we had a coalition Government that was pulling different directions. Now we have one Government and one Head of State who knows where the law is. That is why he assented to the Division of Revenue Bill after listening to our honourable Speaker. So, let us not politicize issues.

The County Allocation Bill will start from the Senate. That is their Bill. I want to repeat; our good brothers in the Senate should tell the country where the Division of Revenue Bill falls. Is it a money Bill? Is it a special Bill? Does it belong to them? We want to respect our colleagues, but we also want to work within the confines of the Constitution.

With regard to the areas of reduction, I would like to congratulate this Committee. This is a very good Committee. We know that Kshs1.5 billion was allocated to undertake human resource reforms. That is where I tend to disagree with the Budget and Appropriations Committee. I totally disagree with them. This is because there will be a lot of rationalization between the national Government and county governments. We expected some amount of money to be spent, but not Kshs1.5 billion. However, the Committee rejected the Kshs19 billion allocated to the Public Procurement Oversight Authority (PPOA). I support them. Also I agree with them for reducing the Kshs150 million allocated to the Financial Reporting Centre. That was, indeed, a duplication. An allocation of Kshs100 billion was allocated to establish expert services scheme. Constitutional reforms was allocated Kshs4 billion. What do you want to reform? We have finished, say, 75 per cent of the reforms that were needed. I totally agree with the Chairman of the Committee.

There was an allocation of Kshs2 billion to irrigation projects in schools. I disagree with the Committee on this. Somebody should have brought an amendment. We needed Kshs2 billion for irrigation in all our schools so that our children can get food in the schools. The Committee ought to have looked at that. It is something that ought to be considered. However, this money should have been given to the Ministry of Agriculture, Livestock and Fisheries. Why do you retain Kshs2 billion for irrigation in schools at the National Treasury? This is, again, suspect. This money had better be taken to the relevant Ministry or the Ministry in charge of education. Maybe that was hot air and somebody somewhere wanted to eat it.

Finally, this Committee recommended a 30 per cent reduction in hospitality supplies, foreign travel, printing, and advertizing in the entire Government. Even Parliament must look at its budget for travel. There is a lot of travel in Government and that affects the efficiency of workers.

I want to thank hon. Members for their insight debate on these Budget Estimates. I want to thank most sincerely Hon. Musyimi who had the largest number of Members in his Committee, I think 51 of them. He had nearly a church. He should have done some preaching for the congregation. He steered the Committee well and we expect that next year our friends in the Senate will get 40 per cent increment for the counties. As of now, the 34 per cent is enough for the counties.

Thank you, hon. Speaker, Sir.

**Hon. Speaker:** Yes, Hon. Millie Grace Akoth Odhiambo-Mabona.

**Hon. (Ms.) Odhiambo-Mabona:** Hon. Speaker, Sir, I thank you for giving me this opportunity. I want to thank the Budget and Appropriations Committee for this Report. Even though I want to thank them largely for most of the things they have provided for, I am not happy with one item.

I want to indicate that this year, I am not very happy with the Treasury, especially with regard to the way they handled the Budget. They did not follow the standards that we had set under the fiscal reforms in the last Parliament. The Budget was done in a very haphazard manner. We were not given timely and detailed information. We did not have broken down Budget items, especially for my Committee. Therefore, it was very difficult for us to make decisions. I thank the Budget and Appropriations Committee for certain actions they have taken, which appear punitive. My Committee was not as brave. I actually told my Committee that we should take certain brave actions, which would then force the Treasury to know that despite the agitation outside Parliament, we actually do serious work.

Hon. Speaker, Sir, I am very happy with the saving of Kshs15.38 billion especially because if you look at the items that are indicated there, they are not very essential or necessary. However, I want to disagree with the Leader of the Majority Party on the issue of laptop computers. If you look at the Report of the Committee itself, it indicates, from the public hearings, that most members of the public are not persuaded about the laptop issue. We know that it was a noble idea. It was something which was being stated to attract votes but we are Kenyans. We know what is always said to attract votes and what the reality is. You cannot be talking about giving laptop computers to children when teachers are agitating for salaries, and when we have members of the public agitating outside Parliament Buildings, saying that Members of Parliament are

increasing their salaries. There are more urgent and pertinent issues in this country than laptop computers. I thought the Committee would have been brave enough to scrap off the provision for laptops altogether.

The Equalisation Fund is provided for in the Constitution to ensure that marginalised areas are brought to par with the rest of the country. Unfortunately, the way this issue has been handled, in the last Parliament, is not proper. I am glad that the Budget and Appropriations Committee has singled out this issue. I hope that this matter will not come up again in the next Budget, and that they will follow the recommendations by the Commission on Revenue Allocation (CRA). I also hope that the Budget and Appropriations Committee will initiate the process of bringing to this House a Bill which will state out clearly how to address the issue of marginalisation. The Constitution provides a very brief description of who is marginalised or what marginalised persons are. We must give flesh to this description, so that we do not leave it to the whims of an individual.

Hon. Speaker, Sir, there is an area about which I am not very happy. I am glad that the Leader of the Majority Party said “this is the Jubilee Government” more than 10 times. I am not in Jubilee. So, I am very clear that this Budget indicates that I am not in Jubilee. Our Committee made very significant savings so that we could also look at areas which did not vote for the Jubilee Government. This Committee provided for a paltry sum of Kshs100 million for fishing and put fishing under the priority areas that should be considered, including the purchase of aircraft if money becomes available. You cannot compare *omera* with aircraft. We did not ask for billions. We asked for only Kshs100 million. I hope that the Chairman is listening.

Two weeks ago, this House passed a Motion on giving of grants to fishermen. Previous governments treated the fishing folk very unfairly and poorly. We have subsidies in agriculture. We have important bodies dealing with the agricultural sector but the fishing community has been very grievously neglected. Whenever action was taken, it was aimed at killing the traditional fishing communities. We are setting up a national training institute on fisheries in Central Kenya. The things that this country does sometimes are laughable. This is the stuff that wars are made of. Even though we have not been able to get into government, we must be able to get our resources. This country is settling very badly.

We have spoken in the past to issues of inequality and lack of equity. We cannot treat casually issues that affect the daily lives of people. I am extremely offended by this Committee for putting fisheries together with aircraft. Even if I do not speak to anything, I speak to this specific issue. I hope that Rev. Mutava Musyimi, who chairs this Committee, will take this issue seriously in subsequent Budgets.

Hon. Speaker, Sir, the Leader of the Majority Party was overexcited over the naming of the President. I want to tell him that it is not a noble thing. There are thousands of children named Millie Odhiambo and millions named Raila Amolo Odinga---

**Hon. Speaker:** Yes, Hon. Langat.

**Hon. Langat:** Thank you, hon. Speaker, Sir. I would like to thank the Budget and Appropriations Committee for the work they have done. I thank the Chairman and the Members of the Committee because we spent a lot of time putting in place the proposals

contained in this Report. I have two amendments on this Motion but before I move them, I would like to make a few comments.

When the President and the Deputy President were campaigning, they made a lot of promises to the youth. I want to thank them because in this year's Budget, there is Kshs25 billion which has been provided for youth empowerment programmes. Before this money is utilised, we expect the Government to tell us how it will reach the youth in the constituencies. Therefore, I thank the President and the Deputy President for budgeting for the Kshs25 billion. The only question I have is how this money will reach them.

Hon. Speaker, Sir, having said so, I beg to move the following amendments:

THAT, the Motion be amended by adding the following words immediately after the figure "2013":

"subject to-

(a) amending paragraph 41(iv) on page 14 by deleting the figure of "Kshs300 million" and substituting with a new figure of "Kshs500 million" in place thereof;

(b) deleting the figure of "Kshs3 billion" appearing in paragraph 41(i) and (ii) and replacing with the figure of "Kshs2.75 billion";

(c) inserting the following items immediately after item (vii) on page 15 of the Report so as to be:

"(viii) Kshs1 billion to be allocated to Geothermal Development Corporation.

(ix) Kshs1.34 billion be allocated to Rural Electrification Authority.

(x) Kshs700 million for the Kenya Electricity Transmission Company.

(xi) Kshs300 million for solar project under the Ministry of Energy.

(xii) Kshs500 million be allocated to the Public Service Commission."

Hon. Speaker, Sir, I have moved these amendments, on behalf of the Finance, Planning and Trade Committee. We have agreed with my Committee. I am also in agreement with the Chairman of the Budget and Appropriations Committee.

During the hearings, our Committee heard from all the independent commissions. Unfortunately, we invited the Ministry of Devolution and Planning, together with the Public Service Commission. The Constitution says that the budget of every independent commission should be on a separate Vote. Therefore, we were unable to listen to the Public Service Commission initially.

However, subsequently we have been able to listen to the Public Service Commission, they have a genuine case and hon. Members should listen to them. They had a request of so much but we were only able to give them what was urgent. One of them is that they have an ongoing building, they have signed a contract and they expected the date of completion to be within the next financial year yet the money has not been allocated in the estimates published earlier.



Secondly, hon. Speaker, Sir, the PSC has been there but with the new Constitution other commissions came in and what has happened is that the salaries of the staff at the PSC are half the salaries of the other commissions. This is a commission which has done a very good job and I believe they are still doing a very good job. They put a request for salary adjustment to harmonize with the other commissions and that request was approved by the SRC in April, 2013. Unfortunately, that amount was not factored in the estimates that were published. Therefore, the Committee, and I want to request the House, agreed that we can assist them to get the Kshs300 million which is required to undertake that adjustment so that they can be at par with the other commissions.

The other effect this amendment will have is that we are proposing – remember when the Chair was doing the Report – to give an additional Kshs3 billion from the saving we had made to the Ministry of Tourism and another Kshs3 billion to the Ministry of Industrialization. It was my Committee that agreed that we can reduce that additional to Kshs2.75 billion each so that we can get the Kshs500 million to allocate to the PSC. Therefore, I want to request the House to approve this Kshs500 million so that they can meet their immediate requirements for construction and salary adjustments. I will ask my Vice Chairman, Hon. Gaichuhie to second this amendment.

With those few remarks, I beg to move.

**Hon. Speaker:** Can you move the second one because I think you are moving two amendments? This is so that I can propose the Question.

**Hon. Langat:** Hon. Speaker, Sir, thank you for your guidance. When the Chairman of the Budget and Appropriations Committee was moving the Motion, he gave an indication that there was an addendum to the Report. Arising from that, I want to make it formal now by moving an amendment so that, that addendum becomes part of the report. The amendment reads as follows:

“The Motion be amended by inserting the following words after the figure “2013”  
“Subject to:

(a) amending paragraph 41, Item 4 on page 14 by deleting the figure of Kshs300 million and substituting with a new figure of Kshs500 million thereof.

(b) inserting the following items immediately after item 7 on page 15 of the Report: “(8) Kshs1 billion be allocated to Geothermal Development Corporation (GDC); (9) Kshs1.34 billion be allocated to the Rural Electrification Authority (REA); (10) Kshs700 million for the Kenya Electricity Transmission Company (KETC), and; (11) Kshs300 million for the Solar Project under the Ministry of Energy.”

This in effect formalizes what the Chair of the Budget and Appropriations Committee said when he was reading the Report on the issue of the addendum so that these monies are given to the GDC and REA. The REA is doing a lot of good work in our respective constituencies and I want to inform hon. Members to go to the REA and get the status of each constituency for both the current and next financial year so that they put in their priorities. So, I want to move these amendments and request my Vice Chair, Hon. Gaichuhie to second

**Hon. Gaichuhie:** Hon. Speaker, Sir, I rise to second this amendment and urge the House to agree to amend it as per the Chair of the Committee on Finance, Planning and Trade. We had an opportunity to meet the PSC this morning and they gave a case that they are the oldest commission and they have never been upgraded yet the SRC gave a

letter on 27<sup>th</sup> May, 2013 agreeing to upgrade their salaries. Since it is a very important Commission, we agreed to increase their salary as per the SRC. The Kshs3 billion that we are reducing to Kshs2.75 billion was an addition that we gave to tourism and industrialization. In effect, we are not affecting any budget of any of the two votes. So we have agreed that we give them that money so that they can pay the salaries. We also agreed that they have an office block they are putting up which had not been allocated money and it is due for completion any time in the next financial year. That is why we agreed, as a Committee, to approve the amendment.

I also want to second the second amendment which is money that we are going to allocate to the energy sector. We have all agreed that if we want to industrialize this country, we need energy and that is why the Chair of the Budget and Appropriations Commission agreed that we give Kshs1 billion to the GDC, Kshs1.34 billion to the REA, Kshs700 million to the KETC and Kshs300 million to the Solar Project under the Ministry of Energy. That is why I am seconding and agreeing that these are very important amendments.

Thank you.

*(Question, that the words to be added be added, proposed)*

**Hon. Speaker:** Hon Members, I know some of you have put in requests to contribute to the original Motion. However, right now, you will contribute to the proposed amendments. That does not deny you the right to continue to contribute to the original Motion when we are through with the amendments.

Yes, Hon. S.S. Ahmed.

**Hon. S.S. Ahmed:** Thank you, hon. Speaker, Sir. I rise to support the amendments by the Chair of the Departmental Committee on Finance, Planning and Trade. I want to laud that proposal. Rural electrification and solar energy are very important to this country. As such, we must make all efforts to reduce the cost of power in this country.

The Public Service Commission is one of the oldest commissions and it has done a remarkable job over time under very difficult conditions. I also support very strongly that it should be given facilities to bring it up to par with other commissions. It has what we call an intelligent team. It has worked well. Its functions have been increased from seven to 19 and yet, its budget was slashed. We feel that it is very important to enhance the allocation to that Commission rather than reduce it.

I feel we should ensure that those items that require our involvement in infrastructure development should be supported. So, as much as I was a little bit disappointed initially that the allocation to tourism and industry was reduced by a small amount, we are prepared to accept that for the time being. However, that should not continue next time because tourism and industry are the two pillars of Vision 2030.

Hon. Speaker, Sir, I support the amendments.

*(Question, that the words to be added be added, put and agreed to)*

*(Question of the Motion as amended proposed)*

**Hon. Speaker:** Yes, Hon. Wandayi. We now go back to the original Motion as amended.

**Hon. Wandayi:** Thank you, hon. Speaker, Sir. I also rise to support the original Motion as amended. I thank the Committee on Budget and Appropriations for having done a fairly good job.

I take note of the fact that the money that has been allocated to the county government is actually 34 per cent of the total revenue which is really an improvement. It is much more than the 15 per cent minimum requirement.

I also take note of the fact that the Committee took cognizance of the public demand that a key road in my constituency, that is Ugunja-Ukwala Road be tarmacked. I am very happy that the Committee took note of that fact and I only hope that the Ministry responsible will do the necessary and have the road tarmacked. If that is done, it will open the great town of Ugunja to business opportunities from Siaya and Busia through Nyando and Lela.

I would like to say that there is still room for improvement in terms of money allocated to the counties. Of course, that can happen gradually if the counties develop the requisite capacity to absorb more funds.

As I support the amended Motion, I must also point out that this House legislates or undertakes business not only for today, but also for posterity. Why do I say this? There is an impression which has been created out there that the National Assembly is against devolution or this House is against the county governments getting enough money. By the President giving assent to the Division of Revenue Bill today, there is a possibility of that move being misconstrued to mean that the Senate has become impotent or redundant. That will be a very sad affair, indeed. Why do I say this? It is because in a situation like the one we are in, where we have two types of governments, the need for a second House cannot be over-emphasized. Therefore, my plea is that for us not to get into a similar crisis in the next budgetary cycle, because we cannot afford to wish away the controversy that has surrounded the handling of the Division of Revenue Bill--- We cannot afford to sweep under the carpet the dust that has been raised by the handling of this very important Bill in this House.

Hon. Speaker, Sir, I, therefore, suggest that the Government, immediately after this process is completed, comes up with the necessary amendments to the Constitution, particularly Article 217, so that the Senate can get its rightful authority in terms of handling monies or Bills that affect the counties. What this House has done is legal within the law as it is currently. There is no any other way out.

Hon. Speaker, Sir, the second question that someone may want to ask is whether it is logical for the Senate to be relegated to the periphery. My answer is no. The Senate cannot be made to be a by-stand when matters as serious as the determination of monies allocated to the counties are being discussed. I take note of the fact that even the County Allocation of Revenue Bill, which will come from the Senate, will still find its way to this House. Therefore, this House has veto over that Bill which allocates monies between the counties.

Hon. Speaker, for us not to be seen as encouraging sterile competition, let us move with speed and bring amendments to the Constitution so that the Senate can be seized of the matter of determination of monies allocated to the counties and between the various counties. That is very important.

Hon. Speaker, there is an impression being created outside there that the President has found it convenient to go by the decision of this House for the fact that tallying of numbers in this House is in favour of the Government whereas, in the Senate, the balance of numbers is almost fifty-fifty. We cannot afford to be seen by the public as enemies of devolution. We can take pleasure in the fact that today we have won because the President has assented to that Bill. But then tomorrow, we shall be called to account as a House of this great nation.

Hon. Speaker, the Committee has noted the demand or concern from the public that a fund be established to be managed by County Women Members of Parliament in the version of Constituencies Development Fund (CDF). My humble opinion is that we do not need such a fund. We need to strengthen CDF so that women representatives or County Women MPs can have more say in its management. As we speak, the CDF Act 2013 has got room for the county MPs at the county level. There is what we call County Development Board which brings together the governor, women representatives, MPs and everybody else and that is how the CDF is supposed to be managed.

Therefore, we should avoid any attempt to duplicate funds which, basically, will bring confusion.

*[The Speaker (Hon. Muturi) left the Chair]*

*[The Temporary Deputy Speaker  
(Hon. Kajwang') took the Chair]*

**Hon. (Ms.) Sanjeev:** On a point of order, hon. Temporary Deputy Speaker, Sir. I will be very quick because I want to bring this to the attention of the House. Is the hon. Member in order to confuse this House and the nation that we are not actually saving money, when we have actually spent time in saving 30 per cent with is Kshs1.3 billion in our country? Can he respond to that?

**Hon. Wandayi:** Hon. Temporary Deputy Speaker, Sir, I did not quite get what she is talking about. I will proceed on the basis that I have not understood her point of order.

Hon. Temporary Deputy Speaker, why do I say that there is no need for duplication of funds? It is because of the confusion that has already been created outside there that hon. Members just want to be in control of the funds everywhere. If we encourage this clamour for funds, the next thing we shall hear is that Senators are also demanding for a fund managed by the Senators. Where shall we end up as a country? So, I want to appeal to my able sisters, the County Women Members of Parliament to understand my position and work within the framework of the current CDF Act to contribute to the development of the country.

**Hon (Ms.) Kajuju:** On a point of order, hon. Temporary Deputy Speaker, Sir. Is the hon. Member in order to suggest that there is duplication of funds? I want to inform

him that there is no duplication of funds. What the hon. Member is doing is trying to support this Motion, but in a negative way because the women are not demanding for funds. The President has already assented to the Bill. What remains now is the distribution of the resources that have been given to the county governments and the national Government. I do not see why the hon. Member is trying to bring the issue of women and yet, the women he is talking about were appropriately elected by the entire 47 counties. So, if a time comes for them to ask for funds to help the electorate, I do not think it is going to negatively affect his constituency. So, the point of order is this: Could the hon. Member address the issue without going into irrelevances?

**Hon. Wandayi:** I am not going into irrelevancies. How can you tell me that I am irrelevant?

**The Temporary Deputy Speaker** (Hon. Kajwang’): Order! Order, Hon. Wandayi! Resume your seat. It is the Chair that has the discretion to rule an hon. Member out of order or in order. So, you are getting out of order Hon. Wandayi. Can you restrict yourself to the discussion and avoid irrelevance?

Hon. Members, it is important to know that when you rise on a point of order, you must restrict yourself within the Standing Order. So, do not intervene or discuss as though you are raising a point but, you are just discussing with your colleague.

Yes, Wandayi, can you finish your contribution?

**Hon. Wandayi:** Hon. Temporary Deputy Speaker, Sir, basically, I want to correct the impression that has been created in this House. I am not against the Women Enterprise Development Fund. I fully support it. What I am against is an attempt to create duplication of CDF in the form of a fund being managed by women Members of Parliament.

Hon. Temporary Deputy Speaker, to conclude, I want to reiterate that today we are passing this Motion as amended.

**The Temporary Deputy Speaker** (Hon. Kajwang’): Hon. Wanjiku, what is out of order? Can you tell us exactly on what Standing Order you are raising that point of order?

**Hon. (Ms.) Muhia:** Hon. Temporary Deputy Speaker, actually, it is the Constitution and I am referring to the Fourth Schedule. I am wondering why the hon. Member is claiming about the duplication of funds and yet, the work of the governor and the national Government is clearly stated in the Schedule.

Hon. Temporary Deputy Speaker, the Bill that is before the House does not speak about anything to do with duplication. So, with the indulgence of the Chair, could the hon. Member clarify what he means by duplication of funds?

**The Temporary Deputy Speaker** (Hon. Kajwang’): I think the point there is relevance. Hon. Wandayi, you have had your time. Are you not done with your contribution so that we move to the next person?

**Hon. Wandayi:** I am done, hon. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Hon. Kajwang’): Let us move on to Hon. Yusuf Chanzu.

**Hon. Chanzu:** Thank you hon. Temporary Deputy Speaker, for giving me the opportunity to contribute and support this very important Motion.

I want to congratulate the Committee under the Chairmanship of hon. Mutava Musyimi for coming up with this Report.

*(Loud consultations)*

Why do you not let me contribute? What are you doing? Hon. Temporary Deputy Speaker, this gentleman here is--- They are overstaying on the paths!

**The Temporary Deputy Speaker** (Hon. Kajwang’): Order! Resume your seats and refer yourself to Standing Order No. 140.

Who is this hon. Member here? You are not supposed to be walking on the gangway and talking. This is a House of order. Yes, Hon. Chanzu, continue.

**Hon. Chanzu:** Hon. Speaker, even across here, hon. Members are consulting very loudly.

**The Temporary Deputy Speaker** (Hon. Kajwang’): That is the Chair’s preserve; just go on with your contribution.

**Hon. Chanzu:** Hon. Temporary Deputy Speaker, Sir, I want to support the Motion. I congratulate the Budget and Appropriations Committee chaired by Hon. Musyimi for bringing this Report within a reasonable time. I congratulate the Committee for the format of the Report, which is very easy to pick out whatever item you want. If there is any milestone that we have achieved in the new Constitution, it is the idea of the budget-making process. You will note that there has been a lot of public participation. I also want to commend the Committee for itemizing all the views that were given by the public in the Report, so that they can be used for follow-up action. Another reform that has been brought about by the new Constitution is that the process has also created checks and balances. For example, the Executive prepared the Budget, the Committee went through it and made adjustments which can show the realities that we face in the country.

Further, I would want to thank and congratulate the President for assenting to the Division of Revenue Bill. That will stop the bickering that has been going on. I believe that the President did this in line with the Constitution that was accepted by all Kenyans three years ago. There is need for sectors that are key in this country - as a developing country - to have been taken into account. For example, the issue of education is very key. For us to develop, we must take care of the education sector first. If we have to achieve Vision 2030, we must take care of the sector. We have had some thorny issues affecting the education sector for quite a long time. We have the salary increments which were promised to the teachers in 1997, which have not been paid. That should have been taken into account. I note that, that was left out.

We have long standing projects which were initiated under the Economic Stimulus Programme a couple of years back, and some of them are almost becoming “white elephants” in the constituencies. That is an aspect that should have been taken care of. The issue of salaries for university lecturers is also a very important element, which the Committee has just put here among the items which should be prioritized for future funding. We should try as much as possible, as a country, to avoid getting into strikes that we have seen from the work force like teachers, lecturers and doctors. We

should have had a way of accommodating the Kshs1.8 billion for the public universities staff.

Just in the same way that we are talking about reforms, we should create employment. We cannot develop without training our people. We have youth and village polytechnics. The amount of Kshs500 million, which should also have been taken care of, has been put aside until we get funds. There is also the issue of recruitment of teachers, which is a very important aspect, but which has also been left out. That was supposed to take Kshs7.6 billion. The teachers' promotions had another Kshs3.5 billion, but it has also been left out. We must find a way in the shortest time possible to ensure that those items are taken care of. As much as I do not oppose the new technology that we are introducing even from the level of Class One---

*(Several Members stood at the Isle)*

**The Temporary Deputy Speaker** (Hon. Kajwang'): Order, Hon. Chanzu! I must bring it to your attention that Standing Order No.104 provides:

"Except when passing to and from his or her seat when speaking, every Member, when in the Chamber shall be seated and shall not, at any time, stand in any of the passages and gangways".

Go on, Hon. Chanzu.

**Hon. Chanzu:** Hon. Temporary Deputy Speaker, Sir, as much as I do not want to oppose the issue of laptops for children in Standard One, just like the free primary and secondary education funds which came and helped the enrolment rate to increase, we need a lot of preparation. The reason why we got into trouble with some of those is that, when we make statements during campaigns, they are very ambitious. We are spending about Kshs17 billion, but we are not prepared. I would have expected the Ministry of Education, Science and Technology to advise the Government and, first of all, give feedback on the computer laboratories and the pilot schemes that we had in schools in the last five years and see how they worked. In my constituency, some of the computer laboratories have worked very well. We should put that money in some priority areas, including even training teachers to be computer literate.

In Annex 1, which is well done, they did not prioritize properly what needs to get funding once funds are available. Although it is not the responsibility of the Budget and Appropriations Committee, under the Ministry of Foreign Affairs, they have put an item that should not be there.

**Hon. Okoth:** Thank you, Hon. Temporary Deputy Speaker, Sir. I rise to contribute to the debate on the Report of the Budget and Appropriations Committee. I wish to thank all the Departmental Committees that have worked very hard to bring us this far and make sure that we meet the deadlines. I am very concerned as a Member of the Committee on Education, Research and Technology, as I educate myself about the sense of priorities that we have given or not given to the education sector.

If you look at Annex 1, page 17, the total amount of cuts that were made or the under-funded priorities in the Ministry of Education, Research and Technology and Teachers Service Commission amount to Kshs33 billion. That is Kshs33 billion in denied opportunities, focus and attention for the children and the youth of this nation, who are

our future. Their time to get education is perishable and they cannot sit around and be denied. I would like, in particular, to point out priority areas that the Committee on Education, Research and Technology mentioned and hoped that the Budget and Appropriations Committee would have considered as a budgeting and implementation priority. The professors, lecturers and educators are training our young people to make sure that they are ready for the job market and yet, their money is cut by a shortfall of Kshs1.8 billion. This is a strike in waiting. When lecturers go on strike, we will lose valuable time for students. I would like that to be addressed as a priority issue if really the Jubilee Government cares about education and engagement of the young people. We already know that there is a backlog now especially after the last double intake in the universities. The facilities are over-stretched. If our universities go on strike now, it means that studies will be stretched and affected. Let us not play with fire. Let us figure out a way to get that Kshs1.8 billion to the university lecturers. That is their right and it is the only just and proper thing to do.

A budget is a moral document. It sets out our priorities. If we say that lecturers who are legally owed Kshs1.8 billion will not get the money, it means that we do not care and they might as well stop working. That will be a great disservice to our young people and, surely, that is not the message that the Jubilee Government promised during the campaigns.

Under the Teachers Service Commission (TSC), there is a typo there: "Recruitment of 2,000 teachers at Kshs7.6 billion." It is not 2,000 teachers; it is 20,000 teachers. Again, this is what we are addressing. Little boys and girls in Kariadudu, Mathare, Kariobangi, Kibera and so on cannot have teachers and yet, we are pretending that we will spend Kshs6 billion to buy them laptops. Tell me, what will a child who cannot write their names do with a laptop next year, when they do not even have teachers? I think we need to re-look at our priorities. I will be moving an amendment tomorrow in concert with my colleagues at the Departmental Committee on Education, Research and Technology to make sure that we take some money out of the laptop project and put into recruitment of 20,000 teachers. If we cannot get that number, Reverend Musyimi, I beg you because you are a man of God. Even Jesus said, "Suffer not the little ones." What would Jesus have done? Would he give them teachers first or laptops? If we cannot get 20,000 teachers, let us prioritize and have 5,000 teachers or 10,000 teachers. That way, we will be on board.

There is an item there on promotion of teachers. It has been allocated Kshs3.5 billion. Teachers have waited and waited. There is no other public servant, save for our security forces and the police, who do any important work than the teachers. Our teachers do more important work than what we do here in Parliament. I agree we do important work here in Parliament, but we would never be here without the work that our teachers do. Please, do not shortchange our children the way we are doing here with the reduction of the allocations meant for teachers and refusing to pay lecturers.

I would like to talk about free day secondary education, especially in Nairobi where we have a shortage of boarding schools and a huge population of young people who are in need of secondary education. Free day secondary education has been nothing but a promise that is yet to be fulfilled. We call it free but it has hidden caveats and costs that people have to pay for. We are only requesting for Kshs3 billion. Again, this will



benefit the whole country. We are politicians here. My friends, this is where we are going to get votes. Let us make sure that our young people get free secondary education so that, in 2017, they will appreciate that we had a Jubilee Government policy and that this Parliament passed budgets that responded to their needs. That way, the Jubilee Government may be voted in a second time. That is free advice from me.

With those few remarks, I want to thank the Committee for doing good groundwork and pulling it all together in a coherent way. There is a lot of work to be done, but I am grateful that this democracy is growing. Parliament is standing on its feet and doing its job. We will keep doing this for all Kenyans with seriousness and commitment. Let us fix those few things here and there, especially without shortchanging our children.

There is a very sensitive budget issue. Those who do not know me well, I will tell you something about me. I am a feminist. What do I mean? I support the rights of women to equal access to education. The girl-child has a right to equal rights to the future and inheritance of this country. When children start primary school, the enrolment is 60 per cent girls and 40 per cent boys. By the time they finish Class Eight, it is 60 per cent boys finishing school and only 40 per cent girls completing school. That transition happens when they get to Class Five and Class Six. We are talking here about very basic issues like sanitary pads. This is one of the reasons girls start losing out in schools. It starts as three or four days per month, then grows into nine times in a year when they lose 36 days of school. They fall behind. In four years, the performance of girls increasingly decreases. If we really care about our children, boys and girls alike, please, Hon. Musyimi find a way of getting Kshs500 million to fund girls so that they can be supplied with sanitary pads. I beg you! If you ignore anything else, do not leave our sisters behind.

**Hon. ole Lemein:** Thank you, hon. Temporary Deputy Speaker, Sir. I stand to support the Motion as amended. First and foremost, I want to thank and congratulate the Budget and Appropriations Committee for a job well done. I wish to thank the President for assenting to this Bill.

Why do I support this Motion? Basically, the Committee has done us proud by including Kshs1.3 billion for Agricultural Finance Corporation (AFC). It was not catered for initially, but the Committee saw the need to inject this money for the sake of our farmers.

I also want to thank the Chairman for amending this Motion to include electrification. Where I come from, 80 per cent of the constituency does not have electricity. I believe that this Committee did a splendid job by increasing the funding for electrification. Maybe, during the next financial year, this House should move that we go the county way when it comes to public hearings. I believe that if we go that way, we will get diverse views because different counties have different needs. We need to capture this in the budget-making process.

I support the Motion as amended.

**Hon. Kemei:** Thank you, hon. Temporary Deputy Speaker, Sir. I stand to support the Motion as amended by Hon. Benjamin Langat, my good friend and neighbour. From the outset, I want to thank the President for assenting to the Division of Revenue Bill and ensuring that Article 95(4)(a) of the Constitution is respected.

Secondly, I want to thank the Committee for doing a good job. The work was done within a very short time. So, what they have done is quite commendable. There are areas of wastage, where the Committee has done some good work. For example, as a country, we should learn to avoid the idea of construction of offices when we do not need them. There are areas like irrigation in secondary schools. This is not a priority area. Therefore, I want to thank the Committee for relocating the funds that have been allocated for irrigation in schools. We must have schools concentrating on their core functions to improve educational performance. If students have to learn anything about agriculture, we should take them to agricultural institutions.

Hon. Temporary Deputy Speaker, Sir, the saving of about Kshs319 million in respect of public procurement is also a good thing. But we need to go a step further to make sure that the bureaucratic procedures in public procurement are removed. We may say that we want to irrigate one million acres, but we will not be able to do so with the cumbersome public procurement procedures in place.

One commendable thing that the Committee has done is stating the country's public debt at Kshs1.2 trillion, against revenue collections of Kshs1.64 trillion. That is indicating that if we were to move in that direction, this country could be auctioned any moment. That is something very commendable on the part of the Committee. We want to continue with the reduction of public debt to the level of 20 per cent of the national revenue by ensuring that we live within our means. Continuous borrowing will not take us anywhere.

I also want to thank Hon. Benjamin Langat for the amendments that he has introduced to this Motion, especially the amendment relating to Public Service Commission. That is one of the oldest commissions in this country but we have, kind of, relegated it as we came up with other commissions, some of which may not be all that useful. Another commendable area is the transfer of money by the Government to semi-autonomous Government agencies. Some of those agencies have outlived their usefulness. When we established public enterprises, we went overboard and increased them to a level where the national revenue cannot accommodate them. What we need to do, as a matter of fact, is to commercialize the operations of all public enterprises with a view to having them operating within their own budgets and stopping their tendency to rush to the national Government for support.

Hon. Temporary Deputy Speaker, Sir, the savings that we have realised, following the Committee's proposals, is something commendable. Last year alone, we saved over Kshs19 billion out of the involvement of members of the public in the budget-making process. We could have saved more money if we had scrutinised the Budget in detail.

Another issue I would like to speak about is the National Police Service Commission (NPSC). The NPSC must be equipped and funded adequately. Police officers must be provided with appropriate gear to enable them to tackle the insecurity that we are experiencing in this country. One of the sad things we are witnessing is the stand-off between the Inspector-General of Police (I-GP) and NPSC. That should not be happening at this time, when the country is required to make concerted efforts to restore security to the required level.

With those remarks, I beg to support.

**The Temporary Deputy Speaker** (Hon. Kajwang’): Yes, Hon. Jimmy Nuru Angwenyi.

**Hon. Angwenyi:** Hon. Temporary Deputy Speaker, Sir, I thank you for giving me the chance to contribute to this Motion.

I want to thank His Excellency the President for assenting to the Bill that we passed in this House. In my view, there have been a lot of wasteful discussions between us and the Senate, but particularly being conducted by the Senate. I do not know what Senators are scared of. If they are sure of their role, they should go ahead and perform it instead of trying to involve us in some wasteful discussions.

I want to thank the Committee for a job well-done, except for one reason. In a sense, the Committee tried to block my effectiveness as a Member of the Parliamentary Service Commission. It has reduced the budget of the Parliamentary Service Commission by a whopping sum of Kshs5.5 billion. It has not done such a thing to any other Government department or commission. I do not know whether the Committee was on a mission assigned to it by the people who call us “Mapigs”. I do not know whether it was on a mission of trying to satisfy the group that came out there today---

**The Temporary Deputy Speaker** (Hon. Kajwang’): Hon. Angwenyi, I am told that it is “Mpigs” and not “Mapigs”.

**Hon. Angwenyi:** Hon. Temporary Deputy Speaker, Sir, I do not know whether the Committee was working in cahoots with the people who call us “Mpigs”. I hope those people will exonerate the names of the Committee Members from that group.

I am also concerned that we did not allocate adequate resources to the key sectors of our country. One such sector is the Teachers Service Commission. We know that there is a deficit of 80,000 teachers in our schools. We should have pumped more money into the education sector to bring the child to teacher ratio to an acceptable level. We also have a deficit in the health sector. We should have pumped more money into the health sector, so that we can employ professionals to provide adequate and effective services to our people.

Hon. Speaker, Sir, we should also have taken as a special consideration the funding of re-settlement of Internally Displaced Persons (IDPs). The spectre of IDPs in this country gives a negative image of this country. We should forget about what happened after the 2007 elections by settling all the IDPs, so that we can move on together as Kenyans. We should also have pumped in more money to security. I am asking the Chairman of the Departmental Committee responsible for security to address the conflict between Inspector General and NPSC. The Inspector General and his team should be given adequate space to do their work because they are the professionals in policing matters. We should fund them adequately so that we can be safe. What I saw happen here this afternoon should not be repeated. Blood was thrown into the precincts of Parliament. We have curtailed the effectiveness of the police to the extent that they just watched the episode unfold. The Inspector General should be given sufficient mandate to handle any situation that arises, so as to keep peace in this country. If what happened out there today happened in Kisii County, people would have fed them with faeces. You know, we would have taken the law into our own hands and fed them with faeces. That is because we have taken away the morale and effectiveness of police officers to handle those kinds of situations.

Each one of us has talked about jobs for our youth, but this Budget has not addressed that issue adequately. How do you create jobs? I hope the Budget and Appropriations Committee and other Committees will acquaint themselves with countries, for example, Hong Kong that have created 100 per cent jobs. That is a small country of 7.5 million people but it has 100 per cent employment. Take an example of Singapore, which is a small country of 1.5 million people. It has 100 per cent employment. Malaysia, which has a population of 23 million, which is half of our population, has created jobs through industrialization and tourism to have 95 per cent employment. What have they done? They have allocated money to where you can have jobs. For example, if you were to pump money to produce fertilizer for this country, about 30 or 40 million bags, that would create a million jobs. If you were to pump money to produce our coffee instead of importing *mitumba* for Kshs50 billion or Kshs60 billion a year; if you were to pump that money to construct one textile mill in each of the former provinces, we would create jobs in excess of 1 million. We must now ask our agencies to make proposals for budgetary purposes and they must know how many jobs they are going to create. Like I said, in Malaysia, which is a small country, there are no attractive tourism resources---

**Hon. Mohamed Abdi:** On a point of order, hon. Temporary Deputy Speaker, Sir. I did not want to interfere with the time of my friend, Hon. Angwenyi, but I want the indulgence of the House in the interest of time for us to contribute to this important Motion. I want us to find a way in which we can reduce the time from 10 minutes to five minutes so that many hon. Members can contribute to this matter.

**Hon. Members:** Yes!

**The Temporary Deputy Speaker** (Hon. Kajwang’): Indeed, what the hon. Member is saying makes a lot of sense. I have 20 requests as of now for hon. Members to contribute and you know we will rise at half past the hour. So, you can see that if many of us will want to have a bite at the cherry, we need some few minutes for everyone.

*(Question, that debating time be  
reduced, put and agreed to)*

That is agreed, hon. Members. Hon. Angwenyi, finish your few minutes.

**Hon. Angwenyi:** Hon. Temporary Deputy Speaker, Sir, I was saying that Malaysia, which has a population of 23 million people and very few tourist resources, receive 26 million tourists a year. It has created 2.5 million jobs in that sector alone. So, if we were to concentrate resources in those areas; if we were to concentrate resources in our infrastructure, we will not go far. Unless, we handle the issue of our railways and airports to become a transport hub in East Africa, we will not develop. For example, we need to create a commercial airport in Kisii County as it has been proposed. We need to create a free port in Mombasa and create jobs that way. We must increase the Constituencies Development Fund (CDF). I am surprised that we did not increase it to 5 per cent. The CDF is a very effective method of devolved services to our people. So, I wish we could find enough funds so that we could devote 5 per cent of our Budget or revenues to CDF. I want to thank the Committee on Finance, Planning and Trade which I understand saved a further re-allocation of Kshs11 billion. I wish the other Committees

could save some money so that we can channel them to those critical areas of our operations.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Hon. Kajwang’): Thank you for saving time.

**Hon. (Ms.) Kajuju:** Hon. Temporary Deputy Speaker, Sir, thank you. I greatly support this Motion as amended and congratulate the Budget and Appropriations Committee for taking the little time that they had to make sure that they have presented this Motion on time. I also find that it would be important in the next Budget that we shall be working on to visit all the counties. This is a devolved government and all the issues that affect each county need to be brought on board. For example, the roads that I have seen being proposed in the 47 counties and the ones that have not been reflected in the other counties can be dealt with in the Budget.

What I appreciate most is the theme of the public hearings of the Committee. They stated their theme to be “Creating Employment Opportunities through the Budget”. Through that, I can see that they are proposing that there should be training of the youth and capacity building through SACCOs, which we totally support. That is because we must empower our youth if we were to succeed in this Government. What I am concerned about is that there are areas that were recognized as priority areas, but funds were not allocated. What concerns me most is the issue of teachers. The teachers’ recruitment process was stalled and yet, no funds have been allocated. The Early Childhood Development teachers will not be recruited if this Budget goes the way it is. What I have seen throughout this process is that teachers have improved themselves in career progression. If we want to build the capacity of our teachers, then we must recognize teachers who have gone through the learning process, but are still working in primary schools. I have seen teachers who have attained a masters degree but are still teaching at the primary level. The Teachers Service Commission (TSC) should be empowered with funds so that they can recognize career progression of those teachers and employ them. I believe that in the next Budget, that is an area that has to be looked into keenly.

The other issue that makes me congratulate this Committee is amending this Budget to bring on board the Kshs500 million that has been given to the Director of Public Prosecutions (DPP). What we have seen is that the Judiciary has grown in leaps and bounds. As we speak, the Judiciary, through the Judicial Service Commission, is still carrying out interviews so that it can employ more judges. This Budget has provided some money to the Judiciary to build courts in all the counties. As we build the courts and promote the Judiciary, we cannot forget the DPP’s Office. That office provides the criminal arm of the administration of justice and I thank this Committee for providing the funds.

As I sit, I thank His Excellency for agreeing with this House that the Division of Revenue Bill as presented to him was properly before him and he assented to it. That confirms that this is a House of great minds and he did what he was supposed to do to ensure that devolution succeeds. I believe that each and every Member in this house is keen on devolution. The message that should go out there is that we are all keen in ensuring that devolution succeeds.

Thank you, hon. Temporary Deputy Speaker, Sir.

**Hon. Anami:** Thank you, hon. Temporary Deputy Speaker, Sir, for giving me this opportunity. I wish to take this opportunity to thank the Chairman of the Budget and Appropriations Committee and, indeed, all the Members for the time and the energy that they have invested in preparing this Budget. I also thank the other Departmental Committees for the contribution that they have made.

Hon. Temporary Deputy Speaker, Sir, perhaps, the greatest challenge that we have now, as a nation, is the implementation of this Budget. That is because of the small hiccups that we have experienced many times. You will find that in rural Kenya, a lot of those budgetary allocations are returned to the Treasury. We should avoid any money going back to the Treasury because it was not utilized. That is usually caused by strenuous procurement processes. I think there is need for expeditious procurement processes by removing some steps that executioners of this Budget have to go through.

The other aspect which I want to emphasize on, and our Committee was sensitive to it, is citizen participation. If it was not for the spirit of our Chair and, indeed, the members of the Budget and Appropriations Committee, we would not have used the little time that was available to conduct public hearings. Nevertheless, I want to support those Members who have proposed that public hearings be conducted at county level because that will enable more citizens to participate and understand the budgetary process. They will also follow the prioritization of those projections.

At the moment, we are losing priority because the Budget is not just about identification of needs, but also prioritization. We cannot prioritize laptops because we have children being sent away from school because of small school levies like mock fees and activity fees. Let us think and think about the laptop issue. That is because it is elitist and not a priority.

Let us prioritize the employment and promotion of teachers because many schools do not have enough teachers. The fact that we have not allocated sufficient funds to teachers is a mis-performance. As much as we want to support this Budget, there are many things that we would like to invite the relevant Ministries to address. The issue of teachers is critical because the future of this country depends on the quality and the quantity of education that we can provide to our citizens.

Hon. Temporary Deputy Speaker, Sir, I rise to support this Motion but I emphasize the need for monitoring and evaluation of the implementation of this Budget.

Thank you.

**Hon. (Ms.) Nyamunga:** Thank you, hon. Temporary Deputy Speaker, Sir. I would also like to support this Motion. First of all, I would like to congratulate the Committee for the work well done. I know it was a very tedious job because most hon. Members sat long hours to make sure that this Budget came out in good time.

Secondly, I would like us to realize that there are many gains that have been made from the Constitution. Before, we could not even know the details of the Budget. The Minister could just walk into the House and read out the Budget. However, with the new Constitution, we have an opportunity as Members of Parliament to interrogate the figures and make recommendations. It is because of that, that the Departmental Committee on Finance, Planning and Trade managed to make some savings which have gone a long way in supporting other very important aspects of the Budget.

I would like to point out that irrigation is very important---

**Hon. (Ms.) A.W. Ng'ang'a:** On a point of order, Hon. Temporary Deputy Speaker, Sir. Given the time limit, could the Mover be called---

**The Temporary Deputy Speaker** (Hon. Kajwang'): Let us hear Hon. (Ms.) Nyamunga first.

**Hon. (Ms.) Nyamunga:** Thank you, hon. Temporary Deputy Speaker, Sir. Irrigation in schools should have been a compromise, to me, because teachers will spend more time on it and things like green houses. So, I thank the Committee very much for reallocating that money to other areas. That does not belong to that docket. This issue has been pointed out by several Members.

Another aspect that I would like to support this Budget for relates to the SACCOs. This will go a long way in supporting our youth and women in table-banking. Those are two aspects of the Budget that will do a lot of good to the economic empowerment of our women.

The other issue I would have loved the Budget and Appropriations Committee to look into very keenly is with regard to day secondary schools. That is because there are very many poor students all over this country. If there was an allocation for day schools, it would have helped them because they cannot afford school fees.

I would like to say that the Kshs500 million should have been allocated for sanitary towels. I am just adding my voice to the speakers who have spoken on the same issue. That is a very important aspect of a student's life and, more so, the young girls who come from very poor backgrounds. This is an area that should have been looked into.

Hon. Temporary Deputy Speaker, Sir, the other area that did not make me very happy is the issue of fishermen. Support of fishermen is very important because it adds a lot of value to the fishing areas. An allocation in this area would have gone a long way in improving our fishing industry and the income that is generated from the industry.

My request also goes to the Ministry of Transport and Infrastructure. The President stated yesterday that a lot of money has been allocated to this Ministry, but we still see many accidents occurring almost every day. The Ministry of Transport and Infrastructure should do something to ensure that the number of accidents that occur in this country is minimized.

On drugs and alcohol, we cannot continue pumping money into that area without seeing real results. Something should be done by the people concerned so that, once the Budget has been allocated, it should go a long way to make some difference in our youth and, more so, on issues related to drugs and alcohol.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Leader of Minority Party, you have the Floor.

**Hon. Nyenze:** Thank you, hon. Temporary Deputy Speaker, Sir. I take this opportunity to congratulate the Chairman of the Budget and Appropriations Committee and the Committee Members for the good work.

Hon. Temporary Deputy Speaker, Sir, in the interest of time, and because I do not have enough time, I want to say that, overall, the Budget and Appropriations Committee did a good job. There is a good spread and there are areas of concern that have been allocated money. The big issue is on the implementation of this Budget.

I am happy that teachers will be remunerated well. On the issue of laptops to Standard One pupils, the Committee has taken the complaints that it is not a priority. But

computer laboratories can be constructed in secondary schools. That is a good thing that the Committee did, so that we do not try to implement the Jubilee Manifesto where they did not come up with good ideas. I think it was a very good idea to suggest that computer laboratories are more of a priority than giving laptops to young children who may either lose or sell them.

Hon. Temporary Deputy Speaker, youth empowerment and job creation are very key. The money allocated for youth empowerment is little. From the media and all over the world, you hear that the youth is a time bomb and, unless this Government does something about creating jobs for the youth very quickly, we will get into a serious problem. That is because our children go to school, leave the universities and middle level colleges with degrees and diploma certificates and find themselves idle. They then start selling water and groundnuts in the streets because they have nothing else to do. Unless we engage the youth by allocating them more money, they will be disillusioned and that can cause instability in this country. In the next Budget, youth empowerment and job creation should be allocated more money. If we put the little money we have in our Budget into key areas which will generate more wealth and jobs--- Like Hon. Jimmy Angwenyi has said, we should borrow from those countries that have done very well by investing in areas that have more impact. That way, we will move far ahead.

Hon. Temporary Deputy Speaker, Sir, the development of infrastructure to make Kenya a transport hub in East Africa can create a lot of wealth. I am sure with a good Cabinet Secretary like Mr. Macharia Kamau and a good Principal Secretary, we can create railways which are effective, classified roads, harbours, airports and good roads like the Thika Superhighway everywhere in the country. That will create employment and our youth will be absorbed.

Hon. Temporary Deputy Speaker, Sir, I want to tell the Chairman of the Budget and the Appropriations Committee that people in old age were left out. There was no money budgeted for the old people. One problem we have in this country is that old people suffer very much. They retire, lose their money and strength and, instead of getting something in their old age because their children are also not helping them, they get nothing. Let us make sure that there is money for the old people. They can be paid a stipend of even Kshs5,000 per month. That will enable them to age and die happy. That should be considered.

**Hon. (Ms.) A.W. Ng'ang'a:** On a point of order, hon. Temporary Deputy Speaker, Sir. Given the mood in the House and the time, would I be in order to ask that the Mover be called upon to reply?

**The Temporary Deputy Speaker** (Hon. Kajwang'): Okay. Leader of the Minority Party, you will have five seconds.

**Hon. Nyenze:** Hon. Temporary Deputy Speaker, Sir, I just want to use those five seconds to say that we have seen a lot of intrigues and infighting in the Police Force. It should be made clear that the Inspector-General should be in charge so that he can control the Force. They are the ones who know what to do and you cannot bring outsiders in the Force and try to have them to control trained officers.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Under Standing Order No.95, I now wish to put the Question.



*(Question, that the Mover be now called upon to reply, put and agreed to)*

**Hon. Musyimi:** Hon. Temporary Deputy Speaker, Sir, I take this opportunity to thank all Members for their very highly valued contribution. This is the first Budget and we will have another four or five more budgets to discuss. Many of the issues that have been raised will, obviously, be taken into account. I request hon. Members to take the trouble to get involved in their Committees so that we can have a well thought-out rationalization that come through Committees as well.

I want to say one thing as I close. Absorption capacity of the Parliamentary Service Commission has been very low and Hon. Angwenyi needs to be aware of that. We took that into account. As I close, we must thank the President. He has given us a bold manifesto and that is what we have sought to support. He has called us to grow the pie and we will do that. Let us be a country that grows the economy; not just a country of consumers.

I beg to reply.

**The Temporary Deputy Speaker** (Hon. Kajwang’): Order, Members! I remind you that I am putting the Question of the Motion as amended.

*(Question of the Motion as amended put and agreed to)*

*Resolved accordingly:*

THAT, this House adopts the Report of the Budget and Appropriations Committee on the Estimates of Revenue and Expenditure for Financial Year 2013/2014, laid on the Table of the House on Thursday 6<sup>th</sup> June 2013, subject to-

(a) amending paragraph 41(iv) on page 14 by deleting the figure of “Kshs300 million” and substituting with a new figure of “Kshs500 million” in place thereof;

(b) deleting the figure of “Kshs3 billion” appearing in paragraph 41(i) and (ii) and replacing with the figure of “Kshs2.75 billion”;

(c) inserting the following items immediately after item (vii) on page 15 of the Report so as to be:-

“(viii) Kshs1 billion to be allocated to Geothermal Development Corporation.

(ix) Kshs1.34 billion be allocated to Rural Electrification Authority.

(x) Kshs700 million for the Kenya Electricity Transmission Company.

(xi) Kshs300 million for solar project under the Ministry of Energy.

(xii) Kshs500 million be allocated to the Public Service Commission.”

Hon. Members, it is half past six. According to the Standing Orders, I just want to extend the time with three minutes. This is a House of order and under the discretion of the Chair, the House is, therefore, extended by three minutes.

Hon. Members, having said that, I have confirmed that we have the necessary quorum to transact this business.

### ADJOURNMENT

**The Temporary Deputy Speaker** (Hon. Kajwang’): Hon. Members, the House stands adjourned until tomorrow, Wednesday, 12<sup>th</sup> June 2013 at 9.00 a.m.

The House rose at 6.33 p.m.