

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 28th February 2018

The House met at 2.30 p.m.

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

PRAYERS

QUORUM

Hon. Speaker: Can you ring the Quorum Bell?

(The Quorum Bell was rung)

Very well, we may commence.

PETITIONS

SKEWED KDF RECRUITMENT EXERCISE IN BUDALANG'I

Hon. Speaker: The Member for Budalang'i. You have another name? You are also called Sauti.

Hon. Wanjala: Thank you, Hon. Speaker. I rise to present a Public Petition No.001 of 2018, by the residents of Budalang'i Constituency regarding recruitment exercise by the Kenya Defence Forces, conducted in February 2018.

I, the undersigned, on behalf of residents of Budalang'i Constituency, draw the attention of the House to the following:

- (a) THAT, Article 27 of the Constitution provides that every person is equal before the law and has equal right to equal protection and equal benefit of the law;
- (b) THAT, Article 41 of the Constitution provides that every person has the right to fair labour practices;
- (c) THAT, on 12th February 2018, the Kenya Defence Force conducted a recruitment drive in Bunyala Sub County;
- (d) THAT, during the said recruitment exercise, it is alleged that only two persons were recruited in Bunyala Sub County, and notes with concern that Budalang'i Constituency comprise of three divisions, hence the recruitment may not have captured the three divisions. Further, noting that if Kenya Defence Forces were to recruit persons per constituency, they therefore, have to take into account the three divisions;
- (e) THAT, the Kenya Defence Forces intended to recruit about 3,000 persons from all over the country;

- (f) THAT, every sub county qualifies to be allocated equal number of opportunities in such recruitment exercise;
- (g) THAT, the issues in respect of which this Petition is made are not pending before any court of law, constitutional or legal body.

Therefore, your humble petitioners pray that the National Assembly, through the Departmental Committee on Defence and Foreign Relations:

- (i) Recommends immediate investigations into the allegations and intervenes to have this matter resolved;
- (ii) Recommends that every constituency be allocated equal share of employment opportunities during the Kenya Defence Forces recruitment drive; and
- (iii) Makes any other order or direction that it deems fit in the circumstances of the matter.

And your petitioners will ever pray.

Presented to this House by Hon. Raphael B.S. Wanjala, the Member of Parliament for Budalang'i Constituency.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Members, I appreciate that Hon. Wanjala has been out of Parliament for a number of years. I am sure he must have sought advice from somebody. It is only fair that when you see somebody getting a bit lost or he may have forgotten some of these things, he be reminded. That is why we have a system whereby Cabinet Secretaries (CSs) will be called before the Departmental Committee on Defence and Foreign Relations every Tuesday. That is something that in the old days which Hon. Wanjala remembers, used to be called Questions by Private Notice. Now, under the Petition process, the Committee has up to 60 days. So, if you wanted some redress, it is like swimming in the ocean heading nowhere. You said that it was on 12th February, if I heard you correct. This is the kind of thing that should have been brought by way of questions that go before the Committee so that the CS through the Office of the Leader of the Majority Party comes and explains, after listening to the issue that you have raised. Therefore, before the exercise closes, some form of redress or suggestions for redress are made.

However, since you have gone the route of a Petition, it will be committed to the Committee which is required to listen to you and those residents within 60 or such longer time as they may request the House to extend and you can see the danger. I am trying to tell you all these because it is possible for the Committee to say within the 60 days they have not heard everybody. This is because they may need to go to Budalangi to listen to those villagers and say how it happened in that particular way. I am giving this advice for free. I appreciate that what the Hon. Member wants to raise is an issue which needs immediate intervention.

Hon. Wanjala: Thank you, Hon. Speaker for your advice. However, there is nothing we do here without seeking advice from the officers of Parliament who actually advised me so. I, therefore, ask your indulgence as a matter of urgency, if it can be done within 14 days by ordering the Committee so that this issue can be resolved. I was advised by your officers. I know a lot of things have changed and will also keep on changing. I ask for your indulgence as a matter of urgency because we are disadvantaged. Budalangi Constituency has had very many majors, captains and so on but today we have none and yet they are only recruiting two people. You also know that Budalang'i is at the border of Kenya and Uganda; hence we need officers so that we are protected.

Hon. Speaker: My sympathies Hon. Wanjala. However, what you are asking me is not really the route to go. This is because you have presented your matter by way of a Petition. If I were to give you a better option, it would be to withdraw the Petition and actually launch a Question. You can also consult the Leader of the Majority Party, so that the CS would be able to appear before the Committee and address all those issues within the period that you are suggesting. I have sympathies for the issues you are raising. They are issues that can just happen in any part of the country.

Hon. Wanjala, let me hear your say.

Hon. Wanjala: Thank you, Hon. Speaker. I wish to withdraw this Petition and follow the channel you have directed. I will do exactly as you have directed because it is a matter of urgency. I also hope you will prioritise it.

Thank you.

Hon. Speaker: I am not the one who does the prioritization, but please consult the Leader of the Majority Party because you will be able to deal with the Cabinet Secretary (CS) and all the officers that perhaps would be able to respond to that. Also, you can see the Chairman of the Committee. He knows you very well. You can see that he is not even looking up. In Kiswahili they say “*Ulikuwa umezama.*” This means that you had gone the wrong route. However, that issue is a matter that needs to be addressed very well. I will be glad if you withdrew. Please, go and have the matter reframed by way of a Question, then the CS can agree with the Leader of the Majority when he can appear before the Committee. This is so that when the CS appears before the Committee, you are also there to hear what explanations they are giving so that you can probe the CS or any other officer who maybe accompanying him or her.

I have seen some Members who do not want to be addressed by some other officers who have been established within the Executive. Sometimes you may well find that some of the people who accompany the CSs are actually the people with the information that you are looking for, but you just insist to be addressed by the CS and not a PS yet they are the people with the information. You must always weigh what it is unless you want to do some little bit of politics which I think is normal; after all you are a politician.

(Hon. F.K. Wanyonyi rose in his place)

Hon. Wanyonyi, there is nothing you want to raise concerning that matter of Budalangi. You may have some blood relations, but do not make it a village matter. Hon. Member for Budalangi is a fairly active Member because I have knowledge of him.

Hon. F.K. Wanyonyi: I want to make a point.

Hon. Speaker: Which point and to who? Is it to Hon. Wanjala? No, no, no. You can pull him to the back corner there and ...

Hon. F.K. Wanyonyi: *(Off record)*

Hon. Speaker: Those are village issues which can be discussed quietly there. Let us move to the next Petition. However, Hon. Wanjala, please just do that because I think you have a pertinent issue.

(Petition withdrawn)

Hon. Members, before we move on, I would like to recognise the presence in the Public Gallery of students and pupils from the following institutions: Chebunyo High School, Chepalungu Constituency, Bomet County and Mabae Primary School, Gatanga Constituency, Muranga County. You are all welcome to observe proceedings in the National Assembly.

The next Petition is by Hon. Patrick Mariru, Member for Laikipia West.

Hon. Mariru: Thank you, Hon. Speaker. Unlike Hon. Wanjala, I have considered my matter and I think it will be best addressed through a Petition. It is Petition No.3 of 2018, on Human Wildlife Conflict in Laikipia West Constituency.

MITIGATION OF HUMAN-WILDLIFE CONFLICT IN LAIKIPIA WEST

Hon. Mariru: I, the undersigned, on behalf of the residents of Laikipia West Constituency, draw the attention of the House to the following:

THAT, the Wildlife Conservation and Management Act, 2013 contemplates formulation of innovative measures for mitigating human-wildlife conflict and compensating victims of human-wildlife conflict;

THAT, the said Act provides that in mitigating human-wildlife conflict, precedence shall be accorded to the rights and privileges of communities living adjacent to conservation and protected areas;

THAT, in the recent past, residents of Marmanet, Githiga, Salama, Rumuruti, Igwamiti and Ol Moran wards have experienced increased cases of attacks by elephants resulting in loss of lives and livestock and destruction of crops and property in these areas;

THAT, the Kenya Wildlife Service (KWS) wardens are evidently overwhelmed by the situation resulting to delay in responding to distress calls from the residents;

THAT, most parts of the Rumuruti, Marmanet, Sharmanei forests and some private conservancies remain unfenced hence making it easier for the animals to stray more often;

THAT, residents of Laikipia West Constituency have demonstrated against inaction by the Kenya Wildlife Service;

THAT, between 2016 and 2018, more than three persons have lost their lives after being attacked by elephants, and further that the wild animals have caused destruction to private property, however, the families of the victims have not received any compensation from the Kenya Wildlife Service yet;

THAT, effort to resolve the matter has been futile;

THAT, the matter in respect of which this petition is made is not pending before any court of law or constitutional body.

Therefore, your humble petitioners pray that the National Assembly, through the Departmental Committee on Environment and Natural Resources: -

(i) Recommends that KWS compensates victims and affected families for loss of lives and destruction of property caused and schools affected to be fenced using electric fence;

(ii) Intervenes to ensure that the relevant Government agencies expeditiously erects perimeter fences along Rumuruti, Marmanet, Sharmanei forests and private conservancies to keep off the elephants and other wild animals from straying to human settlements.

(iii) Recommends that KWS increases the number of posts/camps in the area for efficient surveillance and quick response to distress calls whenever elephants stray to human settlements; and,

(iv) Makes any other order or direction that it deems fit in the circumstances of the matter.

And your petitioners will ever pray.

Hon. Speaker: Member for Mwatate.

Hon. Mwadime: Asante sana Mheshimiwa Spika kwa kunipatia fursa hii. Vile vile, watu wa Taita County, haswa Mwatate, wanaunga mkono malalamishi na kilio kuhusu wanyama pori, haswa vile wanaharibu mimea na kuua watu, lakini hakuna malipo yoyote. Kitu ambacho kimetushangaza zaidi ni kwamba watu wanabebeshwa mizigo juu ya mingine. Ndovu wanatolewa Laikipia na kupelekwa Mbuga ya Wanyama Pori ya Tsavo. Badala ya kumaliza hiyo taabu kule Laikipia, wanatupelekea hiyo taabu kule Taita.

Tafadhali, tunaomba wakati mnaanaglia hili suala la malalamishi, jaribuni kuliangalia vyema. Tayari ukiangalia orodha ya malipo ya fidia Kenya nzima, wakazi wa Taita Taveta County ndio wanaodai hela nyingi zaidi. Sasa ndovu wanatolewa kwingineko na kupelekwa kule kwetu. Ni kilio kikubwa, tumepoteza watu wengi. Hivi sasa twafa njaa kwa sababu ya uharibifu wa mimea uliotekelezwa na wanyama pori. Hivi juzi niliwaelezea watu wangu kule Mwatate kwamba, Katiba inaruhusu wakati mumevamiwa na wanyama tafadhali, muleni ndiyo pengine KWS wataamka kidogo.

Mheshimiwa Spika, ninashukuru sana kwa fursa hii.

Hon. Speaker: Hon. Leader for the Majority Party.

Hon. A.B Duale: Hon. Speaker, as I support the petition, I think the best thing that Members of Parliament should do is to get hold of the Kenya Wildlife Act that we passed during the 11th Parliament. We introduced the necessary amendments. What is happening in this country is that people view wild animals as more important than human life, such that if you kill a lion or an elephant, the penalty is as high as 30 years imprisonment. However, everywhere, from the mountain to the coast and the pastoral areas, wild animals are causing a lot of havoc.

We now have drought and the lives of both domestic animals and human beings are at risk. When our animals cross into Meru National Park or Tsavo National Park, our people are arrested by KWS. They are arraigned in court and their animals are killed. The KWS uses choppers to chase away domestic animals. We must ask ourselves the moral question; what do we value? Do we value human life or wildlife?

I pity the Member for Taveta. There are so many problems with elephants, but the CS for Tourism and Wildlife was officiating the transportation of elephants. I asked myself: Is it so big that a CS must go and officiate the loading of one elephant into a truck?

Hon. Charles Kilonzo comes from the Savana. He is my neighbour. He is not a victim of wildlife. We are the pastoralists who move from one national park to the other and from one mountain to the desert because of our livelihood. We are victims of the weather, wild animals, *Al Shabaab* and any bad Government policy, even cattle rustling. Therefore, I join my colleagues who are talking about wild animals. You are lucky that your only problem is the elephant. For us, we have so many problems. As a House, we need to look at the current legislation and see if we can put in law provisions that can safeguard wildlife, human life and their livestock.

We must find a middle ground where when we are faced with a severe drought, it becomes Government policy to open up national parks for livestock to graze. I support that

position. I am sure the CS for Tourism and Wildlife is listening. Please, do not transport wildlife from one place to another.

No community is better than the other. If you are removing elephants from the Aberdares, why take them to Taita Taveta? The community in Taita Taveta is one of the most habitable communities in Kenya and it is a very good community to live with. Some of us have farms and our animals are in Taita Taveta. I am sure that what the Member is saying is very true.

I support.

Hon. Speaker: Hon. Members, I can see there are several of you who want to say something. Remember this is not debate; it is a petition. Members have a lot of business and I have noticed many of you do not have the staying power. You sit here for 30 minutes and you are off. I am, of course, assuming that you represent people in various ways, including in the lobbies and other places.

Hon. Members, I just want to plead with you. Remember that for a petition, comments are limited to very few people. This is not the opportunity to tell us many stories. I can see the Member for Samburu North wants to tell us something about the snakes in his constituency.

(Laughter)

Member for Kibwezi West, are you being harassed by crocodiles or some other animals?

Hon. Musimba: We are actually a victim of all, crocodiles and other animals. I am rising to support the Petition by the Hon. Member. This is a question of where there is mismatch in resources. When we call for tourists to come to Kenya, we talk ably about the big five. Yet, when the tourism industry generates funds to go to the Tourist Trust Fund, there is no linkage between this and fortifying things like claims which are within the Wildlife Act. So, the Kenya Wildlife Service has to come here and ask for a budget year after year and they do not receive funds for this particular purpose. That is why we have all these backlogs which are taking place.

The Leader of the Majority Party said we should look for other ways. I think one of the ways is to look at the budgetary support and simply do a linkage between the Tourist Trust Fund and these wildlife adventures; the same thing we did with the telecommunications industry by establishing the mobile fund. We created a levy over the turnovers. I think this would greatly help because as we said, people in Kibwezi West, the greater Kibwezi and Makueni are grappling with this as well as the rest of the country. So, I look forward to ventilating over this Petition because it covers a lot about Kenya.

Thank you, Hon. Speaker.

Hon. Speaker: The Petition is referred to the Departmental Committee on Environment and Natural Resources where all these many ideas could be presented and canvassed. So that, eventually, the Committee will bring to the House a Report, hopefully, which contains recommendations about the ideas which will have been presented before it. Hon. Members, let us not begin debate because when the Committee brings its Report that is when you will debate. More importantly, if you think you have some ideas, please, avail yourself before that Committee. When Hon. Mariru will be presenting the Petition, it is possible that he will be accompanied by a horde of supporters, the people he represents and other stakeholders. So, Members who have ideas about this could also appear before that Committee to enrich the Report that will come from it. That is the whole idea of a petition going before a Committee.

When the House will be debating the adoption of the Report it will discuss and adopt it from a position of knowledge and information.

Let us move to the next Order.

NOTICES OF MOTIONS

ALTERATION OF THE HOUSE CALENDAR

Hon. A.B. Duale: Hon. Speaker, I beg to give notice of the following Motions:

THAT, pursuant to the provisions of Standing Order 28(4), this House resolves to alter its Calendar for the Second Session (2018) as adopted on 14th February, 2018 by proceeding to a recess from Friday, 2nd March, 2018 and resuming its regular sittings on Tuesday, 13th March, 2018.

EXTENSION OF THE PERIOD FOR CONSIDERATION OF NOMINEE TO OFFICE OF SOLICITOR-GENERAL

THAT, pursuant to the provisions of Section 13 of the Public Appointments (Parliamentary Approval) Act, 2011 relating to extension of period for consideration of nominees for appointment to a public office, this House resolves to extend the period for consideration of the nominee submitted by H.E. the President for appointment to the Office of Solicitor-General by a further period of ten (10) days from 7th March, 2018.

Thank you, Hon. Speaker.

Hon. Speaker: Next Order! Hon. Members, I am assuming that every Member is in possession of a Supplementary Order Paper. This was necessitated, and I approved it, by the fact that several Questions were not put during the Morning Sitting. That is the only essence of the Supplementary Order Paper. Let us proceed.

SPECIAL MOTIONS

APPROVAL FOR APPOINTMENT OF PRINCIPAL SECRETARIES FOR STATE DEPARTMENTS FOR DEVOLUTION AND PLANNING

THAT, this House adopts the Report of the Departmental Committee on Finance and National Planning on the Vetting of Nominees for Appointment as Principal Secretaries, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 155(3) (b) of the Constitution, approves the appointment of Dr. Julius Muia and Mr. Nelson Marwa as Principal Secretaries, State Department for Planning and State Department for Devolution, respectively.

(Hon. Limo on 28.2.2018)

(Debate concluded on 28.2.2018 – Morning Sitting)

Hon. Speaker: Hon. Member for Yatta, it is good to constantly remind yourself that you are in the Chamber.

Hon. Members, debate on this Motion was concluded in the Morning Sitting and what remains is for the Question to be put, which I hereby do.

(Question put and agreed to)

Next Order!

APPROVAL FOR APPOINTMENT OF PRINCIPAL SECRETARY
FOR STATE DEPARTMENT FOR GENDER

THAT, this House adopts the Report of the Departmental Committee on Labour and Social Welfare on the Vetting of Nominee for Appointment as Principal Secretary, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 155(3) (b) of the Constitution, approves the appointment of Ms. Safina Kwekwe Tsungu as the Principal Secretary, State Department for Gender.

(Hon. Ali Wario on 28.2.2018)

(Debate concluded on 28.2.2018 – Morning Sitting)

Hon. Speaker: Again, Hon. Members, what remains is for the Question to be put which I hereby do.

(Question put and agreed to)

APPROVAL FOR APPOINTMENT OF PRINCIPAL SECRETARY
FOR STATE DEPARTMENT FOR HEALTH

THAT, this House adopts the Report of the Departmental Committee on Health on the Vetting of a Nominee for appointment as Principal Secretary, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 155(3) (b) of the Constitution, approves the appointment of Mr. Peter Kiplagat Tum as the Principal Secretary, State Department for Health.

(Hon. Mishra on 28.2.2018)

(Debate concluded on 28.2.2018 – Morning Sitting)

Hon. Speaker: Again, Hon. Members, what remains is for the Question to be put, which I hereby do.

(Question put and agreed to)

APPROVAL FOR APPOINTMENT OF PRINCIPAL SECRETARY FOR
STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT

THAT, this House adopts the Report of the Departmental Committee on Transport, Public Works and Housing on the Vetting of Nominee for Appointment as Principal Secretary, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 155(3)(b) of the Constitution, approves the appointment of Mr. Charles Hinga Mwaura as Principal Secretary, State Department for Housing and Urban Development.

(Hon. Pkosing on 28.2.2018)

(Debate concluded on 28.2.2018 – Morning Sitting)

Hon. Speaker: Again, debate on this Motion was concluded in the Morning Sitting. What remains is for the Question to be put, which I hereby do.

(Question put and agreed to)

APPROVAL FOR APPOINTMENT OF PRINCIPAL SECRETARY FOR STATE DEPARTMENT FOR
IMMIGRATION, BORDER CONTROL AND REGISTRATION OF PERSONS

Hon. Speaker: Let us have the Mover, Hon. Paul Koinange.

Hon. Koinange: Hon. Speaker, I beg to move the following Motion:

THAT, this House adopts the Report of the Departmental Committee on Administration and National Security on the Vetting of Persons for Appointment as Principal Secretaries, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 155(3)(b) of the Constitution, approves the appointment of Maj. Gen. (Rtd) Dr. Gordon Odemo Kihalangwa as the Principal Secretary, State Department for Immigration, Border Control and Registration of Persons.

Hon. Speaker, on 30th January 2018, you notified the House of receipt on 29th January 2018, of a Message from His Excellency the President and Commander-in-Chief of the Kenya Defence Forces of the Republic of Kenya with respect to appointment of persons to various positions of Cabinet Secretaries, Principal Secretaries and of High Commissioners and Ambassadors of the Republic of Kenya. In line with the established procedure, the Clerk of the National Assembly invited interested members of the public, through a public advert, to submit their representations by written statement or sworn affidavit, what they may have had on the suitability or otherwise of the said nominees to the respective departmental committees.

I thank my very able secretariat availed to the Committee. I also thank my very able hon. Members who worked tirelessly to make sure that this Report was concluded on time. On Wednesday 14th February 2018, pursuant to Section 6(3) of the Public Appointments (Parliamentary Approval) Act, the Clerk invited the nominees in writing, for vetting and approval. Maj. Gen. (Rtd) Dr. Gordon Odemo Kihalangwa, the nominee for the position of the PS for State Department for Immigration, Border Control and Registration of Persons, appeared before the Departmental Committee on Administration and National Security on Wednesday,

21st February 2018, in the Committee Room of 4th Floor, Continental House, and Parliament Buildings.

In conducting the vetting process, the Departmental Committee on Administration and National Security examined the nominee against the criteria set out in the Public Appointments (Parliamentary Approval) Act 2011, as follows:

- (a) Academic qualifications;
- (b) Employment record;
- (c) Professional affiliations;
- (d) Potential conflict of interest;
- (e) Knowledge of relevant subject;
- (f) Expectations and key priorities;
- (g) Overall suitability for the position;
- (h) Integrity; and,
- (i) Vision and leadership.

To fulfil its mandate and facilitate the vetting, Maj. Gen. (Rtd) Dr. Gordon Odemo Kihalangwa submitted relevant documentation and testimonies supporting his case. The Committee noted that the nominee had complied with and submitted all the clearance certificates and letters from all the relevant institutions. The Committee received two written representation from the Third Way Alliance Party of Kenya and the Kenya National Commission on Human Rights (KNHCR).

The Third Way Alliance Party of Kenya presented a memorandum wherein it submitted that the Committee, while undertaking the exercise of vetting nominees for the position of PS, should ensure that the process reflects the role of the National Assembly and that the National Assembly adheres to the provisions regulating leadership and integrity, respects the two-thirds gender rule, reflects equitable representation of special interest groups as well as regional and ethnic diversity of the people of Kenya.

The Committee noted that the representation did not meet the requirements under Section 6 (9) of the Public Appointments (Parliamentary Approval) Act 2011. This section requires that a person submitting a memorandum shall make a written statement on oath.

Further, the said memorandum was not directed at the suitability or otherwise of the nominee.

The KNHCR presented a memorandum opposing the nomination of Maj. Gen. (Rtd) Dr. Gordon Odemo Kihalangwa as PS for the State Department for Immigration, Border Control and Registration of Persons on grounds that the nominee was found culpable for impunity and violation of the law in Miscellaneous Criminal Application No. 57 of 2018, wherein the High Court found that the Director of Immigration acted, together with the Inspector-General of Police and the Director of Criminal Investigations, to defeat the orders of the Court that the required Mr. Miguna be produced in court so that he could be dealt with in accordance with the law. The Commission concluded its submission by urging Parliament to reject the nominee on grounds of gross breach of Articles 3, 10, 28, 29, 40, 43, 45 and 51 of the Constitution.

Upon inquiry, the Committee observed that there was a substantiating appeal against the order. The legal process is yet to be exhausted. Therefore, there was no final determination of the matter under Article 75 (2) of the Constitution. Further, it was clear that the matter was *sub-judice* under Standing Order No. 89.

Hon. Speaker, the memorandum did not take the form of a sworn affidavit as required under Section 6 (9) of the Public Appointments (Parliamentary Approval) Act 2011. Indeed, the decision of the Committee on the memorandum is similar to the decision you took yesterday when you were presented with a defective petition for removal of the Chief Justice and the members of the Judicial Service Commission (JSC).

On Thursday 22nd February 2018, the Committee held a meeting to consider and approve the Report on vetting. The Committee, having considered the curriculum vitae (CV) of the nominee, and having heard his oral submissions during the vetting exercise, at the sitting held on Wednesday, 21st February 2018, made the following observations:

(1) The nominee Maj. Gen. (Rtd) Dr. Gordon Odemo Kihalangwa had the requisite qualifications and experience which qualifies him for the appointment as a Principal Secretary for State Department for Immigration, Border Control and Registration of persons;

(2) The nominee exhibited impressive knowledge, experience, skills on issues touching on security, immigration, border control and registration of persons.

Having considered the suitability, capacity and integrity of the nominee, and pursuant to Article 155(3)(a) of the Constitution and Section 8(2) of the Public Appointments (Parliamentary Approval) Act No. 33 of 2011, the Committee unanimously recommends that this House approves the nomination and subsequent appointment of Maj. Gen. (Rtd) Dr. Gordon Odemo Kihalangwa to serve as the Principal Secretary State Department for Immigration, Border Control and Registration of persons.

Thank you, Hon. Speaker. I now call upon my Co-chair, Hon. John Waluke, to second this Special Motion.

Hon. Speaker: Have you moved the Special Motion?

Hon. Koinange: Yes, Hon. Speaker. I request Hon. John Waluke to second the Motion.

Hon. Speaker: No.

Hon. Koinange : I beg to move, Hon. Speaker.

Hon. Speaker: Hon. John Waluke

Hon. Koyi: Thank you very much, Hon. Speaker, for giving me this chance. I rise to second the Motion. I have known Mr. Kihalangwa for many years. I also served under him. He is a very strict person. I worked with him for 15 years. He is a no-nonsense man and he likes his work.

He appeared before our Committee and his curriculum vitae spoke for itself. This is a man who can deliver quality service in his work in this country as a Principal Secretary. The President appointed him as the Principal Secretary for the State Department for Immigration, Border Control and Registration of persons. I am sure Mr. Kihalangwa will perform. When we perused his documents, we saw that he has done so many courses. We are satisfied as the Departmental Committee on Administration and National Security that he will deliver. He is a man of passion. As we went through with our discussion together, as a Committee, we concluded that we should give him this chance, so that he serves this country with that passion that he has.

Hon. Speaker, I second the Special Motion. Thank you.

(Question proposed)

Hon. Speaker: It looks like it is the wish of the House that I put the Question because the reports are already there. Anybody who desires to look at them can get them.

(Question put and agreed put)

Next Order.

APPROVAL FOR APPOINTMENT OF PRINCIPAL SECRETARY FOR STATE
DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING

Hon. Speaker: Hon. Melly

Hon. Melly: Hon. Speaker, I beg to move the following Special Motion:

THAT, this House adopts the Report of the Departmental Committee on Education and Research on the vetting of nominee for appointment as Principal Secretary, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 155(3)(b) of the Constitution, approves the appointment of Dr. Kevit Desai as Principal Secretary, State Department for Vocational and Technical Training.

On February 2018, you gave a Communication and directed that our Departmental Committee on Education and Research sits and approves the vetting of Dr. Kevit Desai. The Committee conducted extensive public participation as provided for under Article 118 of the Constitution and Section 6(4) of the Public Appointments (Parliamentary Approval) Act, 2011 and Standing Order No. 45 (3). During the approval hearings, the Committee held a total of three sittings. The nominee appeared before the Committee on Wednesday, 21st February 2018 for the oral vetting exercise. In conducting the vetting exercise, the Committee was guided by the Constitution of Kenya, the Public Appointments (Parliamentary Approval) Act No. 33 of 2011 and the Standing Orders.

The vetting process involved interviewing the nominee, examining correspondences from the Ethics and Anti-Corruption Commission and all the requirements as stipulated in the Constitution and the laws governing the appointment.

Having taken the candidate through the process, the Committee made a number of observations. The Committee had the nominee's questionnaire, pursuant to Section 6 (8) of the Public Appointments (Parliamentary Approval) Act No. 33 of 2011 and his curriculum vitae. Having heard the nominees own submissions during the approval hearings, the Committee made some observations on his suitability for appointment as Principal Secretary for State Department for Vocational and Technical Training, Ministry of Education, Science and Technology.

On Knowledge, Dr. Kevit Desai holds a Doctor of Philosophy (Phd) Degree in Robotics Control Systems Engineering from Shibaura Institute of Technology in Tokyo, Japan, a Master's Degree from the same institute and a Bachelors Degree in Electrical Electronic Computer Engineering from City University, City College and London Metropolitan University, London, England. Therefore, he is very knowledgeable. He also pursued a course in Factory Automation Systems Research and Development from Toyohashi, Japan in 1990.

Until his nomination, he was the Chairman on the boards of a number of organisations. Therefore, he exhibited vast knowledge and experience having served in various capacities as board chairman and a member of a number of reputable organisations in the private sector and in Government institutions dealing with the Technical and Vocational Education and Training (TVET) sector such as the United States International University, Technical University of

Mombasa, Karen Technical Training Institute for the Deaf and specifically as Chairman of the Permanent Working Group on Vocational Training.

He is a Kenyan citizen as required by law. He has academic credentials and professional training. His experience is impressive and in compliance with Section 6 (7) of the Public Appointments (Parliamentary Approval) Act. He satisfies the requirements of Chapter Six on leadership and integrity.

Having seen his suitability, knowledge and innate understanding of the sector, the Committee, having conducted approval hearings and pursuant to Article 155 (3) of the Constitution and Section 8 (1) and (2) of the Public Appointments (Parliamentary Approval) Act No.33 of 2011, recommends that this House approves the nomination and subsequent appointment of Dr. Kevit Desai as Principal Secretary for the State Department for Vocational and Technical Training in the Ministry of Education, Science and Technology.

I beg to move this Motion and request Hon. Malulu Injendi to second.

Hon. Injendi: Thank you, Hon. Speaker. I rise to second this Motion. At the time of vetting this candidate, we found that he had not been charged in any court of law. He has lived within the law and is, therefore, suitable for this position. We also wanted to find out whether he had any interests in other things which may lead to conflict. We found that in all his operations, there was no area that would cause some potential conflict as he takes up this position.

We also found that this candidate is suitable because he is not interested in taking up any other gainful employment in the country. During our vetting, we also found that he has no interest at all in political matters so as to participate actively. In this case, we found that he does not hold any political position in any party of the country. Most of us at this age usually have some conflict as we pursue our functions, activities and works. As mentioned by the Chair, in most of the positions he has held, there is none that he has been dismissed, maybe for not performing well or being in insubordination of office.

Arising from this, we found that this candidate is suitable and, therefore, I second his appointment.

(Question proposed)

Hon. Members: Put the Question!

Hon. Speaker: Very well. I confirm that there is still quorum in the House.

(Question put and agreed to)

APPROVAL FOR APPOINTMENT OF PRINCIPAL SECRETARY
FOR STATE DEPARTMENT FOR WATER AND SANITATION

Hon. Washiali: Hon. Speaker, I beg to move the following Special Motion:

THAT, this House adopts the Report of the Departmental Committee on Environment and Natural Resources on the Vetting of Nominee for Appointment as Principal Secretary, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 155(3)(b) of the Constitution, approves the appointment of Mr. Joseph Wairagu Irungu as Principal Secretary, State Department for Water and Sanitation.

Pursuant to Standing Order No.42 (1), on Tuesday 13th February, 2018, you communicated to this House a Message from His Excellency the President regarding, among others, the nominee to the position of Principal Secretary for Water and Sanitation, Mr. Joseph Wairagu Irungu. You informed this House that His Excellency the President was seeking the approval of the National Assembly on the said nomination before appointment. The Departmental Committee on Environment and Natural Resources - where I am a ranking Member - in adherence to the Public Appointments (Parliamentary Approval) Act No.33 of 2011, the Constitution, all relevant legislation and Standing Orders, conducted the approval of the nominee and has tabled its report.

On behalf of the substantive Chair, Hon. Kareke Mbiuki, I want to take this opportunity to thank the Members of this Committee and the secretariat for working tirelessly to come up with this Report. The Committee, having considered the nominee's CV and other written and oral submissions, during the vetting exercise, made the following observations:

- (1) The nominee has satisfied the requirements of Chapter Six of the Constitution of Kenya on leadership and integrity, having been cleared by the Ethics and Anti-Corruption Commission (EACC); the Directorate of Criminal Investigation (DCI); the Kenya Revenue Authority (KRA) on tax compliance; Higher Education Loans Board (HELB) and the Registrar of Political Parties;
- (2) The nominee has never been charged with a criminal offence in a court of law and has no potential conflict of interest with regard to the position he had been nominated to;
- (3) The nominee has never been dismissed from office for contravention of the provisions of Article 75 of the Constitution which deals with conduct of State officers that are adversely mentioned in any investigatory report of Parliament or any commission of inquiry;
- (4) The nominee has the necessary qualification and extensive experience in the public service as seen from the documentation presented to the Committee;
- (5) The nominee has the right attitude and commitment to serve in the position which he had been nominated to, as observed from the way he responded to the Members' questions on water-related issues during the approval hearing;
- (6) The nominee does not hold any office in any political party, hence does not contravene the provisions of Article 77 (2) of the Constitution.

Hon. Speaker, the nominee exhibited impressive knowledge and understanding of issues relating to the docket he has been nominated for appointment.

The Committee, having considered the suitability, capacity and integrity of the nominee and pursuant to Article 155(3) of the Constitution and Section 8 (2) of Public Appointments (Parliamentary Approval) Act No.33 of 2011 and Standing Order No.216 (5) (f) of the National Assembly, recommends that the National Assembly approves the nomination of Mr Joseph Wairagu Irungu for appointment by His Excellency the President to the position of PS for State Department for Water and Sanitation.

I admit that, personally, I know this nominee. I am sure many other Members do. In terms of public relations, he is exemplary. I am sure many Members have gone to the Office of the President to seek division of administrative boundaries. Even when he declines a request, he does so with a lot of respect to Members of Parliament. Mr Irungu is up to the task. Therefore, I urge this House to approve the nomination of Mr Joseph Wairagu Irungu since he has a proven

record in public service. If appointed, his new role will be to steer the State Department for Water and Sanitation to greater heights.

I beg to move and request Hon. Mrs. Charity Chepkwony, MP for Njoro Constituency to second.

Hon. Speaker: Hon. Charity Kathambi Chepkwony.

Hon. (Ms.) Chepkwony: Thank you very much Hon. Speaker. I rise to second the approval for appointment of PS for State Department for Water and Sanitation. I wish to state here how we assessed the candidate and what we found out about him. He has served in different positions since 1989. Currently, he is a Principal Administrative Secretary in the Ministry of Interior and Co-ordination of National Government.

We observed that Mr. Irungu has been a very hardworking person. We also found out that he is team player. He demonstrated passion to work in the docket of Water and Sanitation. We also found out that he has been hardworking and has been awarded honours in different sectors and ministries for many years.

I wish to second that the National Assembly approves his appointment to this position. He is going to work for us. Thank you.

(Question proposed)

Hon. Speaker: It seems to be the mood of the House that I put the Question.

(Question put and agreed to)

Next Order.

APPROVAL FOR APPOINTMENT OF PRINCIPLE SECRETARY FOR
STATE DEPARTMENT FOR FOREIGN AFFAIRS

Hon. Katoo: Hon. Speaker, I beg to move the following Special Motion:

THAT, this House adopts the Report of the Departmental Committee on Defence and Foreign Relations on the Vetting of Nominee for Appointment as Principal Secretary, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 155(3)(b) of the Constitution, approves the appointment of Amb. Macharia Kamau as Principal Secretary, State Department for Foreign Affairs.

Ambassador Kamau is a Kenyan born in 1958 in Kiambu County. He holds a Bachelor of Arts Degree in History and Economics from the College of Wooster, Ohio and a Master's of Education Degree on Social Policy and Planning from Harvard University, Massachusetts. He also attended an executive programme on macro-economic policy and management from Harvard University, Massachusetts.

Amb. Macharia Kamau has worked in the domain of international relations, international development and international peace and security and in the Ministry of Foreign Affairs and International Trade for over 35 years. He worked in the Caribbean and ran the United Nations International Children's Emergency Fund (UNICEF) offices covering 16 countries and gained incredible experience working with their governments.

In 2008, he was appointed the United Nations ambassador and worked for seven years. In 2010, he became the Kenyan representative in the United Nations, a position he held for over

seven years until his nomination as PS by His Excellency the President. Because all the other details are in the Report, I want to be brief.

The Committee considered the nominee's filled questionnaires, pursuant to Section 6(8) of the Public Appointments (Parliamentary Approval) Act, his CV and having heard his oral submission during the approval hearing, the Committee is satisfied on his suitability for appointment as PS in the State Department for Foreign Affairs.

Therefore, pursuant to Article 155 (3) of the Constitution, the Committee recommends that the National Assembly approves the appointment of Amb. Macharia Kamau as the PS of the State Department for Foreign Affairs and urges this House to approve it.

With those few remarks, I beg to move and request the Member for Mosop, Hon. Vincent Tuwei to second.

Hon. Speaker: Hon. Members, I wish other Chairmen could be as brief and to the point. Hon Katoo has shown the benefit of experience. He has given issues that are relevant to the House. The Report is already here. Please, follow suit.

Hon. Tuwei.

Hon. Tuwei: Ahsante sana, Mhe. Spika. Mimi pia nimesimama kuunga mkono kuteuliwa kwake Balozi Macharia Kamau kwa wadhifa wa Katibu wa Kudumu katika Wizara ya Masuala ya nchi za Kigeni.

Wakati tulipokuwa tukiangalia stakabadhi na vyeti vyake, tuligundua kwamba Balozi Macharia ana ufasaha katika taaluma yake kimataifa na humu nchini. Tulipata kwamba yeye ndiye mwanzilishi wa kampuni, Rank Zerox, ambayo imefana hapa nchini kwa kazi yakupiga chapa.

Balozi Macharia alitufurahisha sana alipotuahidi kutusaidia kupigana na janga la ufisadi. Alisema kwamba janga la ufisadi ni janga la ulimwengu mzima na kwamba wataalamu wakisimama imara na kuwe na mikakati katika Serikali, ama kuwe na uongozi bora; ufisadi utapungua. Pili, tulifurahi zaidi aliposema kwamba Wakenya wengi walioko katika nchi za nje wametaabika sana wakitafuta mawazo na mwongozo. Alisema kwamba akipata hii kazi ya katibu, atafanya juhudi kuona kwamba amewasaidia mabalozi ili Wakenya walioko katika nchi nyingine ulimwenguni waweze kujulikana mahali walipo, na pia waweze kujua sheria za nchi hizo kabla ya wao kuingia katika nchi hizo. Tatu, tulifurahia jibu alilotupa – kwamba mtu yeyote ambaye atacheza na Mkenya ataadhibiwa. Hilo ni jambo zuri ambalo litaifanya nchi yetu iheshimike ulimwenguni. Pia, jambo hilo litatuwezesha kufurahia nchi ambayo ina vijana walio na ujuzi utakaowawezesha kupata kazi katika nchi nyingine na kuleta pesa ambazo zitaaidia nchi hii.

Kwa hayo machache, ninaunga mkono kuteuliwa kwa Balozi Kamau kama katibu mkuu.

(Question proposed)

Hon. Members: Put the Question!

Hon. Speaker: I confirm that the House quorate and there is no request for contribution.

(Question put and agreed to)

APPROVAL FOR APPOINTMENT OF AMBASSADORS/HIGH COMMISSIONERS

Hon. Kato: Hon. Speaker, I beg to move the following Special Motion:

THAT, this House adopts the Report of the Departmental Committee on Defence and Foreign Relations on the Vetting of Nominees for appointment as Ambassadors/High Commissioners, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 132(2)(e) of the Constitution and Standing Order 216(5)(f), approves the appointment of the following persons—

- | | | |
|---------------------------------|---|---|
| (i) Prof. Judy Wakhungu | – | Ambassador to France |
| (ii) Dr. Cleopa Mailu | – | Permanent Representative to UN, Geneva; |
| (iii) Hon. Dan Kazungu | – | High Commissioner to the United
Republic of Tanzania; |
| (iv) Mrs. Phyllis Kandie | – | Ambassador to Belgium, Luxemburg and
the European Union; |
| (v) Mr. Willy Bett Kipkorir | - | High Commissioner to India; |
| (vi) Prof. Jacob Kaimenyi | - | Permanent Representative to UNESCO; |
| (vii) Dr. Hassan Wario Arero | - | Ambassador to Austria |
| (viii) Mr. Lawrence N. Lenayapa | – | Ambassador to the Kingdom of
Netherlands. |

Hon. Speaker, in conducting the approval hearings, the Committee examined the nominees against the criteria as set out in the Public Appointments (Parliamentary Approval) Act as follows: -

- (i) academic qualifications;
- (ii) employment record;
- (iii) professional affiliation;
- (iv) personal conflict of interest;
- (v) knowledge of relevant subject;
- (vi) overall suitability for position;
- (vii) integrity, vision and leadership; and,
- (viii) expectation and key priorities.

As required by the Constitution and the law, and as per the established procedures for vetting, the Committee ensured that its meetings were open to the public and were covered by the media. In the Report, Members will find specific analysis of each nominee, but I want to highlight the general observations of the Committee for all the nominees.

1. In accordance with Article 178(1)(2), all nominees are Kenyan citizens with no dual citizenship.

2. The academic credentials and professional training and experience for all the nominees are in accordance with the provisions of Section (6)(7) of the Public Appointments (Parliamentary Approval) Act, 2011.

3. All nominees satisfy the requirements of Chapter Six of the Constitution on leadership and integrity, having been cleared by the relevant institutions, including the Directorate of Criminal Investigation; the Kenya Revenue Authority; the Higher Education Loans Board and the Ethics and Anti-Corruption Commission.

4. None of the nominees has been charged in a court of law or mentioned adversely in a parliamentary committee report or commission of inquiry.

5. As stipulated in Article 75(1) of the Constitution, all the nominees have no potential conflict of interest.

6. All the nominees satisfy the requirements of Article 77(1) in that they do not intend to participate in any other gainful employment.

7. All the nominees do not hold office in any political party hence satisfy the provisions of Article 77(2) of the Constitution.

8. None of the nominees has been dismissed from office under Article 75 of the Constitution for a contravention of the provision of Article 75(1) on conflict of interest, Article 76 on financial probity, Article 77 on restriction on activities of State officers and Article 78(2), dual citizenship of the Constitution.

Hon. Speaker, the Committee did not receive any written affidavits for or against any of the nominees. Therefore, pursuant to Article 132(2) of the Constitution and Standing Order 216(50(f), the Committee is pleading with the House to approve the nomination of: -

(i) Prof. Judy Wakhungu for appointment by His Excellency the President as the Kenya's Ambassador to France;

(ii) Dr. Cleopa Mailu for appointment by His Excellency the President as Kenya's Permanent Representative to the UN, Geneva;

(iii) Hon. Dan Kazungu for appointment by His Excellency the President as Kenya's High Commissioner to the United Republic of Tanzania;

(iv) Mrs. Phyllis Kandie for appointment by His Excellency the President as Kenya's Ambassador to Belgium, Luxemburg, and the European Union;

(v) Mr. Willy Bett Kipkorir for appointment by His Excellency the President as Kenya's High Commissioner to India;

(vi) Prof. Jacob Kaimenyi for appointment by His Excellency the President as Kenya's Permanent Representative to UNESCO, Paris;

(vii) Dr. Hassan Wario Arero for appointment by His Excellency the President as Kenya's Ambassador to Austria; and,

(viii) Mr. Lawrence N. Lenayapa for appointment by His Excellency the President as Kenya's Ambassador to the Kingdom of Netherlands.

With those many remarks, I beg to move and request Hon. Dida Rasso to second.

Hon. Speaker: Hon. Rasso.

Hon. Dido: Thank you, Hon. Speaker. I rise to second the Motion.

All these nominees have been working with the Government since 2013. In terms of their performance, they are well known to those of us who were in the 11th Parliament. For the President to have appointed people who were working for him as Cabinet Secretaries, maybe, with hindsight, he had an intention that, as he sends them out there, they are going to represent his vision and leadership – particularly in the area of the big four agenda items of industrialisation, food security, housing and also in trying to come up with affordable medical care.

Diplomatic posting is not just about us sending individuals out there. It is about the face of Kenya out there; representing each and every Kenyan. We have asked, as the Departmental Committee on Defence and Foreign Relations, the House to approve the list. But, the onus is now on the Ministry of Foreign Affairs to train these diplomats so that they are polished. They are coming from various appointments. Maybe they have very little diplomatic backing or knowledge.

(Question proposed)

Hon. Members Put the Question.

Hon. Speaker: Hon. Members, I confirm that I do not see any requests for contribution and, further, that the House quorate.

(Question put and agreed to)

APPROVAL FOR APPOINTMENT OF
MEMBERS TO THE JUDICIAL SERVICE COMMISSION

Hon. Speaker: Hon. Cheptumo.

Hon. Cheptumo: Thank you, Hon. Speaker. I beg to move the following Special Motion:

THAT, this House adopts the Report of the Departmental Committee on Justice and Legal Affairs on the Vetting of Nominees for Appointment as Members of the Judicial Service Commission, laid on the Table of the House on Tuesday, 27th February 2018, and pursuant to the provisions of Article 171(2) of the Constitution, approves the appointment of the following as Members to the Judicial Service Commission-

- (i) Under Article 171(2)(g) of the Constitution:
Mr. Patrick Gichohi, CBS
- (ii) Under Article 171(2)(h) of the Constitution:
 - a) Prof. Olive Mugenda; and
 - b) Mr. Felix Koskei

Arising from the vacancies in the Judicial Service Commission (JSC), the President of the Republic of Kenya, pursuant to Article 171(2) of the Constitution as read together with Article 250(2)(b) of the Constitution and pursuant to the provisions of Section 3 and Section 5 of the Public Appointments (Parliamentary Approval) Act, His Excellency the President of the Republic, vide a letter of 9th February 2018 forwarded to the National Assembly the names of those nominees.

Mr. Patrick Gichohi was nominated to represent the Public Service Commission (PSC) under Article 171(2)(g) as I said earlier. Prof. Olive Mugenda represented the public under Article 171(2)(h) of the Constitution. Again, Mr. Felix Koskei represents the public under the same.

The nominees for those three positions in the JSC appeared before the Departmental Committee on Justice and Legal Affairs. We were able to consider the issues that are well spelt out in Section 7 of the Public Appointments (Parliamentary Approval) Act, 2011; issues on the procedure used to arrive on the nominees, any constitutional or statutory requirement relating to the office in question, suitability of the nominee for appointment proposed with due regard as to whether the nominee's abilities, experience and qualities meet the needs of the body to which the nominee is made.

These are very critical constitutional issues because these three members are supposed to serve in the JSC which is a constitutional commission. The Committee considers the procedure used to arrive at the nominees under Article 252. Because of time, I want to confirm to the House that Section 15(2) of the Judicial Service Commission Act provides that where nominations are

to be made by a body specified under Article 171(2)(g) of the Constitution, the nominating body shall submit names of the nominees to the President.

Those three nominees, two representing the public and one the PSC were, indeed, forwarded to the President. So, we are satisfied that that provision of the Constitution was complied with.

Regarding regional representation and ethnic diversity, the Committee considered the list of nominees proposed for the appointment as members of the Judicial Service Commission and noted that, if the nominees were all approved, the composition of the commission would reflect regional and ethnic diversity of the Republic of Kenya – again, complying with that constitutional requirement.

The third item is the two-thirds gender principle. The Committee was satisfied upon consideration of the total membership of the commission. The committee noted that four members of the commission are women while seven are men. If a mathematical formula is applied, one-third of 11 is 3.6 which rounds off to four. Two-thirds of 11 is 7.3 rounded off to seven. As such, the composition of the commission would satisfy the two-thirds gender principle as set out under Article 27(8) of the Constitution. On the principle of persons with disability, the youth, leadership and integrity, the committee satisfied itself that all the constitutional requirements were met. This being a constitutional commission, those standards set by the Constitution were fulfilled. We are satisfied as a committee.

One last issue I wanted to talk about is that public participation is no longer an issue of choice, it is mandatory. As we vet public and State officers, it is important that we allow the public to participate. Out of the three nominees, we only had issues regarding one nominee, Prof. Olive Mugenda. I do not want to take too much time on that because our Report is very clear. From pages 37 to 39, the issues that were raised by Dr. George Lukoye are outlined. Dr. George Lukoye raised nine issues in his memoranda contesting the nomination of Prof. Olive Mugenda. The nominee appeared before us, made formal submissions and thereafter she was able to file an affidavit, clearly responding to the various allegations made against her.

I want to confirm to this House that having gone through the allegations by Dr. Lukoye and having considered the oral submissions by the nominee and also the contents of the affidavit signed, we were satisfied that the allegations made against the nominee were not factual. We have allegiance as the business and function of proving. I want to inform the House that we were satisfied that apart from those allegations raised against Prof. Olive Mugenda, there was no other memoranda contesting the nomination of the other two nominees.

During the approval hearings, we were able to engage the nominees on their academic qualifications, employment record, professional affiliations, potential conflict of interest, and knowledge of the relevant subject, overall suitability for the position, integrity, vision, leadership, expectations in key areas. These are requirements set out by the law and as we engaged the nominees, we had to be satisfied as a Committee.

The three nominees appeared before the committee. Pages 26 to 33 of our Report contain submissions by those nominees on the areas I have covered. Overall, after the vetting, the Committee made the following observations. The three nominees had the experience necessary...

Allow me to finish, Hon. Speaker. It is my responsibility to say that the Committee recommends to this House as follows:

- (i) The House approves the appointment of Mr. Patrick Gichohi as the member of the Judicial Service Commission under Article 171(2) (g) by His Excellency the President.
- (ii) The House approves the appointment of Prof. Olive Mugenda as member of the Judicial Service Commission under Article 171(2) (h) of the Constitution by His Excellency the President.
- (iii) The House approves the appointment of Mr. Felix Koskei as member of the Judicial Service Commission under Article 171(2) (h) of the Constitution by His Excellency the President.

Hon. Speaker, I beg to move and request my colleague Member of the Committee, Hon. George Murugara to second.

Hon. Speaker: Member for Tharaka

Hon. Murugara: Thank you, Hon. Speaker. I rise to second the Special Motion that the three proposed appointees be approved for appointment to serve in the Judicial Service Commission. As it has been outlined in the Report, these three nominees underwent extensive and intensive vetting as a result of which the Committee was satisfied that they do have the necessary qualifications to serve in the Judicial Service Commission. The Committee took the nominees through the vetting process whereby their academic qualifications were scrutinised and found to be satisfactory. We then moved on to examine them on the suitability to sit in the commission and all the three of them satisfied the Committee that they were suitable to sit and serve in that commission.

We also had extensive deliberations on the integrity of the three nominees. In spite of the objection we received in respect of one of the nominees, we were satisfied that this qualified as far integrity was concerned to serve in the commission. All in all, having examined these nominees, having satisfied ourselves that these are qualified to serve in that commission, this Committee prepared the elaborate Report that has been presented which we ask the House to approve. I, therefore, second the Motion that these three persons be approved for appointment to serve in the Judicial Service Commission.

(Question proposed)

Hon. Members: Put the Question.

Hon. Speaker: Member for Kitui wants to make a contribution.

Hon. Mulu: Hon. Speaker, I want to contribute to this Motion.

Hon. Speaker: Yes.

Hon. Mulu: Thank you very much for giving me the chance. The Judicial Service Commission is one of the constitutional commissions and it is very important because it serves the third arm of Government, just as the Commission you chair, the Parliamentary Service Commission, serves another arm of Government. This is a very important commission. As a House, we are going to do justice to this country by ensuring that this commission is operational and has the required membership as per the Constitution. Looking at the names which have been proposed to this commission, these are names of individuals who are respected in this country and I want to support their inclusion into this commission because I know they are going to make huge contribution to make sure the welfare of judicial officials is taken to the next level.

I want to start with Prof. Mugenda. This honourable lady, those of us who have interacted with Kenyatta University—and for your information this is the institution where I did my PhD in economics—this lady has moved this university from a very low level to an international university. I am just imagining that by her joining this important commission, she will come with the same vision so that the Judiciary as an institution will deliver to Kenyans, more so in access to justice.

Looking at Mr. Patrick Gichohi, all of us who have interacted with Parliament for many years know Patrick Gichohi was once a Clerk of this important House. I have interacted with him even in our Committee on Administrative Justice and he brings to this commission a lot of experience. The good thing is, Gichohi having interacted with politicians like us for many years, maybe he will be the right link between Parliament and the Judiciary, because he understands us and now he will be on the other side of the Judiciary, so that small misunderstandings between the Judiciary and Parliament at times can easily be sorted when we have commissioners who appreciate us.

That is why I want to thank you, Hon. Speaker. The ruling you made yesterday, in terms of the petition, is a landmark. As a House we should never be seen to be antagonising other institutions which are at our level. The Judiciary is another arm of Government. We are the second arm of Government and then the Executive. Any time we seem to be protecting the independence of the Judiciary and our own independence and promoting interdependence because that must be there, that is very good for this nation. I see these names—Patrick Gichohi, Mugenda and Mr Felix Koskei—I am assured that the Judiciary will be in safe hands and anything to do with it will go a long way in supporting Kenyans in being able to access justice, which has not been very accessible to a majority of the people we represent.

With those few comments, I want to wish these commissioners well as they join the rest of the commissioners. I want to urge Members of this House that as we move forward, it is important that we all respect the independence of these institutions, the three arms of Government, because none of them can perform without each other, but we all have clear mandates as institutions and we must be seen to be carrying out our mandate even as we move forward.

With those remarks, Hon. Speaker, I support. Thank you.

Hon. Speaker: Hon. Members, it looks like there is nobody desirous of contributing, but I was doing a headcount to ensure that we have quorum for me to proceed to put the Question, which I hereby do.

(Question put and agreed to)

Next Order.

MOTION

ADOPTION OF REPORT ON BUDGET POLICY STATEMENT

Hon. Speaker: Hon. Kimani Ichung'wah, Chair of Budget and Appropriations Committee (BAC). And I would expect that as this r

Report is being moved by Hon. Ichung'wah, the chairpersons of various other committees who have had occasion to appear before BAC should be present to also give their views. I am surprised when I look at the front Bench on this side to see where the Chair of PAC and PIC are...all those chairs need to be present. If there is any one report that they cannot really...they cannot be said to be in any other meeting or be taking tea; they cannot take tea the whole day. We also take tea. We cannot take tea from 3.30 p.m. I just want to urge that it is so important that when we are discussing the BPS, because I am aware all chairs of departmental committees have had a chance to appear before this committee, they should be here, all of them and, indeed, all the members of those committees and the vice-chairs.

That is why when I have to make commendation, I have to do it. I really encourage Members to take the example set by Hon. Pkosing, the Chair of the Transport, Public Works and Housing Committee. Throughout debate on the Roads Bill, Hon. Pkosing never left the Chamber. Is it that he does not take tea or water or whatever those things that other chairs go to do? Maybe they are not ready to be chairs of those committees. If they are not, then I would encourage the membership to think quickly and see how best to have proper leadership so that the issues that are going to be raised by the Chair of BAC are addressed by the chairs and vice-chairs and membership.

Hon. Ichung'wah, over to you.

Hon. Ichung'wah: Thank you, Hon. Speaker. On that note, let me begin by congratulating those chairs and vice-chairs who have taken their time to be here, and encourage chairs of other departmental committees to also join.

On behalf of the members of BAC, and as required under Section 25(7) of the Public Finance Management Act, 2012 as well as our Standing Order 232(7), it is my great pleasure that I present to this House the committee's report on the BPS 2018 and the medium-term debt management strategy for the Financial Year 2018/2019 and the medium term.

This is the first BPS prepared under the second term of the Jubilee administration, and more so at the commencement of the third medium-term plan (MTP3) of the Kenya Vision 2030. It builds on the five pillars of the economic transformation agenda and achievements of the Government over the last five years and sets the pace for key policies, priority programmes and reforms which will be implemented over the next five years, that is 2018-2022, to enhance job creation and improve the quality of life of Kenyans at large.

The Committee is concerned that MTP3, which comprises the loan development programme to help achieve the Vision 2030 in a timely manner and whose policies should inform the BPS and underline the implementation of the big four plan, has not yet been released. This makes it more difficult for us as a House to ensure that the policies underpinning the next Budget are informed by the national agenda through the MTP3.

The format and content of the BPS should be in line with the provisions of various relevant legal instruments, such as the Public Finance Management Act, 2012, the PFM Regulations, 2015, and our Standing Orders. In reviewing the BPS, the Committee established that to a large extent the 2018 BPS has complied with the provisions of the law and has provided most of the required information. However, there were concerns with regard to some information not being provided. In particular, the Committee observed that contrary to provisions of the law and in support of efficient planning and budgeting, the BPS should have included a list of all the projects, giving details of their financing as well as a list of all pending bills. Regulation 27(1)(f), which provides that a summary of programmes that are of national interest for the following

financial year be included, ideally includes the details of capital expenditure which should include a list of projects.

Furthermore, the Committee noted that the ceiling for development expenditure and personnel spending of the national Government Budget approved by Parliament are not binding to the 2017 BPS as the case should be. This is contrary to PFM Regulation 27(5). The spirit of this binding was so as to ensure the medium-term expenditure framework becomes a reality and not a ritual and also to improve capital budget implementation.

The importance of the Medium-Term Expenditure Framework (MTEF) is that it determines the fiscal space available to a spending agency over the medium-term which ensures predictability of resources thereby, allowing the spending agency to simply focus on results.

It is this Budget and Appropriations Committee's submission therefore, that presets limits for the medium-term which should be regarded as the hard Budget constraint and should be the starting point for budgeting in any subsequent year. If the budget disregards medium-term decisions especially those enshrined in law, it will therefore not be effective at all.

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

*[The Temporary Deputy Speaker
(Hon. (Ms.) Mbalu took the Chair)]*

Hon. Temporary Deputy Speaker, the Committee notes with concern that these same issues of non-compliance were raised in the previous Budget and Appropriations Committee Report of 2017 but even though this House recommended that the missing information be provided in subsequent BPSs, which in that case would have been the BPS for 2018/2019 Financial Year, this legal provision still has not been complied with. Such an outcome raises the questions as to whether recommendations of this House are indeed taken seriously. It is a challenge and that is why we are encouraging chairs of committees to be here because that would be a direct challenge to the Chair and the Committee on Implementation to make sure that such recommendations are followed through with the National Treasury and other departments in Government.

Hon. Temporary Deputy Speaker, Parliament being the budget-making institution of this country, any recommendations of Budget should be taken seriously especially if these are tied to existing legal provisions since failure to provide information inhibits National Assembly's review of BPS and estimates. The House must take necessary measures including censuring so as to ensure that failures are addressed. Again, it is the same issue you were talking about in terms of follow-up with the Committee on Implementation.

Hon. Temporary Deputy Speaker, the Committee is also concerned about the realism of the macro-fiscal framework underpinning the Budget as it is anchored on an economic growth projection of 5.8 per cent in 2018, largely underpinned by good performance in agriculture yet as we all know this sector remains largely rain-fed. Reports from the Meteorological Department and the Ministry of Environment and Natural Resources have hinted at the possibility of the *La Nina* phenomenon in the coming year. Though some parts of the country will reportedly receive good rainfall, food security is expected to deteriorate over most parts of the country particularly the Arid and Semi-Arid Lands (ASALs). This will also impact negatively on the livestock sector. Should this risk materialise, the higher food prices will lead to higher inflation levels. Indeed, the

inflation outlook of the country is not very promising, as there are risks associated with rising fuel prices as we even witnessed in the recent past which may lead to higher transportation cost as well as rising cost of electricity associated with increasing use of expensive thermal power as a substitute for declining hydropower generation as a result of the declining rainfall levels. These risks, if they occur, will adversely affect the economic growth and macro-economic framework.

Hon. Temporary Deputy Speaker, as we all know, Kenya again is facing significant pressure from the Budget deficit and debt accumulation. Existing expenditure pressures have made it very difficult for Government to pursue any concrete steps towards fiscal consolidation. Unless we keep our expenditure in check, the fiscal deficit may worsen in the medium-term. It should be noted also that the Government's appetite for borrowing is increasingly reducing access to credit by the private sector. I wish to underline the fact that borrowing in itself is not bad at all but how we use the borrowed resources is what matters. If borrowing is not towards creating new assets, then that borrowing is not useful to our economy or even to us as individuals. Even for individuals, if you borrow and you are not creating new assets from the borrowing then, that borrowing does not help you. However, there is nothing bad with borrowing so long as that borrowing goes to the right use.

Hon. Temporary Deputy Speaker, importantly, at any one point in time, our total capital spending must exceed our net borrowing, both domestic and foreign rather than external and internal borrowing. This therefore, calls for a cautious approach to borrowing so that the Government can achieve its policy on promoting private sector-led growth. In addition, the Committee has taken note of the emerging influx of the monetary policy due to the interest rate capping law that was passed by this House about a year ago or so. It is therefore, our considered view as a Committee that the interest rate capping law can be reviewed and modified in a way that addresses the negative outcomes, particularly with regard to its impact on monetary policy.

Hon. Temporary Deputy Speaker, it is fair to mention here because I have seen even the promoter of this Bill, Hon. Jude Njomo was in this House, that we are not just calling for a complete review of the interest capping law but we are saying there is an opportunity. Indeed, there is a case to review this law but in a measured way such that we are able to balance the profit motive of the industry in terms of those who are in the banking industry, the public interest and also balance and give an opportunity to our Central Bank of Kenya (CBK) as the regulator of the monetary policy to be able to have that flexibility to regulate our monetary policy. Though these risks to economic outlook are highlighted in the comprehensive report, they have not been excessively assessed and the likely impact has not been quantified and there is no plan of action should these risks materialise. It is important for this to be adequately assessed so that the macro-economic framework is as realistic as possible and any contingency plans, particularly with regard to drought expenditures are put in place to avert a crisis should there be drought in the course of the term. Taking all these factors into account, the Committee is concerned that the National Treasury growth projections may not be achieved if the risks that were identified in the BPS materialise. The implication of this is that revenue performance is likely to be lower than expected. This is likely to lead to the usual end year revision of expenditure through supplementary budgets which invariably leads to a disconnect between the planned and approved policies of the BPS and the Budget Estimates that are approved and implemented. More often than not, the implication of the Supplementary Budget is that policies are not followed through and expenditures particularly on development tend to be reduced leading to delays in completion

of projects and the consequent result of not just delayed projects but a higher cost in the implementation of projects.

Hon. Temporary Deputy Speaker, I beg to skip the issues to do with BPS in terms of Agenda Four, but just note that the Committee is concerned. I did not want to go through the Agenda Four issues because we all know what the big four agenda is. However, it became a matter of concern to the Committee that the implementation framework of the Big Four agenda is not very well articulated in the BPS. There appears to be a disconnect within the BPS and the introduction of the big four agenda. The BPS has not indicated any radical shift in its expenditure plans to reflect a clear plan of action towards achieving the big four plan. There is no indication that Big Four resource requirements have been cost and phased out for implementation and rather the focus appears to be mostly on the targets and output, which have no clear strategy on how the economy will get there, how the extra capacity will be created or expanded as a result. There is no accountability to framework, which actors will implement the projects under the Big Four agenda, how they will go about it and the resources allocated to them.

Hon. Temporary Deputy Speaker, it is good to make it clear that as a Committee, we found that there was a very clear disconnect between the Budget Policy Statement and the allocation of resources. This is a challenge to the National Treasury and all the Ministries, Departments and Agencies; that, as they move towards the Estimates, they should make sure that there is a clear re-allocation of resources geared towards the big four agenda of the Jubilee administration, if we are to achieve it.

Even the departmental committees pointed out that during their deliberations with the various spending agencies, it emerged that the big four agenda of the Government had not been provided with adequate resources, and there is no implementation structure. It is good that the Temporary Deputy Speaker did note; they should have been here. That is why we are asking the National Treasury, the spending entities and the committees of this House that, as we move to the Estimates and go through the various stages of the Budget implementation process, they should work with their respective spending entities to ensure that adequate resources go into the big four agenda areas. Ideally, the starting point of the big four agenda should have been the formulation of a result matrix, which should have enabled the creation of a comprehensive plan with specific targets and strategies for achievement of key initiatives. There is need for radical shift in expenditure. During the allocation, priority should be given to the key intervention areas under the big four agenda. The key actors should be identified and given clear targets, timelines and implementation strategies geared towards achieving the big four agenda of the Government.

Therefore, the Committee proposes that the Government should provide a blue print that clearly spells out the agenda, strategies and policies under the big four agenda with a results matrix for resource allocation. The Government should facilitate re-organisation and re-prioritisation of expenditure to achieve the big four agenda, and also enable Parliament to conduct monitoring and evaluation as the Budget is implemented.

Hon. Temporary Deputy Speaker, just to repeat what I had said earlier on, it will be incumbent upon the Chairs of the various committees and the Members of this House who sit in the various departmental committees to ensure that as we go to the Estimates, this is done. The Government should be able to bring to this House a master plan on how to implement the big four agenda. The Departmental Committees and spending entities should work together to re-

prioritise and re-allocate adequate resources to make sure that we achieve the big four agenda, be it in manufacturing, healthcare, job creation or any other matters under the big four agenda.

In addition, the Committee observed that there is no evidence of a comprehensive review of the status of programmes that were already being implemented in line with zero-based budgeting so as to identify those that should be discontinued to provide physical space for the big four agenda. This means the zero-based budgeting concept was not understood or it was not utilised in drawing up the Budget Policy Statement, particularly in resource allocation amongst votes and programmes. The importance of carrying out a review of the status of previous key target areas is that it facilitates proper monitoring of Government expenditure by this House thereby enhancing efficiency and effectiveness in the use of public resources. As I mentioned earlier, this House is a budget-making house. We cannot be making budgets without holding to account those to whom we allocate resources. They should explain how they spend the resources that we allocated them. We are, therefore, challenging the Members of this House to ensure that in each of the Departmental Committees they sit, there is actual monitoring and evaluation of implementation of the Budget since we are the House that allocates resources to each of the Departments.

Hon. Speaker, two key pillars of the big four agenda – Health and Agriculture – are devolved functions. This means the key initiatives under these sectors are likely to be implemented through the county governments. The Committee observed that the Budget Policy Statement has not clearly articulated the extent of the roles that each level of government will play – the roles that will be played by the national Government and those that will be played by the county governments. Therefore, the Committee proposes that a master plan on the big four agenda should also include a collaborative framework between the national Government and the county governments with clear indications, with the roles of each level of the government and manner in which resources will be allocated clearly stipulated. I wish to reiterate that despite these resource gaps, the Budget and Appropriations Committee remains very committed to sticking within the hard budget constraints in order to limit the fiscal deficit within reasonable levels.

The resource gaps in the various sectors will therefore be addressed through rationalisation and reorientation of resources from non-core expenditures towards key development projects. The Committee observes that despite the indications for the 2018 Budget Policy Statement that expenditure will contract gradually over the medium-term, there does not seem to be a very clear strategy on how this will be done. I wish to remind this House that in Financial Year 2015/2016, the Government indicated that it would institute expenditure control measures on non-core expenditure. However, it seems that this process has not been very well executed as there are no clear quantifiable expenditure rationalisation measures which will free resources for priority expenditures. In fact, we have not even seen a quantification of possible savings from non-core areas and re-allocation of those resources. That is, again, a challenge to the Government in all ministries, led by the National Treasury to ensure that expenditure rationalisation is done to move resources from non-core areas to core areas that will drive the big four agenda.

Hon. Members will recall that during the Supplementary Budget I late last year, we had an expenditure cut of up to 75 per cent from various items under the Recurrent Expenditure across all ministries, departments and agencies, including Parliament and the Judiciary. This disrupted the operations of some spending entities. This Committee reiterates that expenditure

adjustments should be based on clear analysis, taking into account the policy direction of the Budget.

Because of time, you will allow me to move to the Medium Debt Management Strategy for Financial Year 2018/2019, which proposes a borrowing framework of about 57 per cent and 43 per cent domestic borrowing to finance the national Budget deficit. External debt will be financed through concessionary finance of 23 per cent, semi-concessional finance of about 12 per cent. The committee has revealed a medium debt strategy and makes a number of recommendations and observations that are ...

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Given the magnitude of the reports, at my discretion, I add you five minutes.

Hon. Ichung'wah: Thank you, Hon. Temporary Deputy Speaker. Amongst the many observations contained in this Report, one of the key issues of concern is the level of our debt as a country. The Committee notes that the current net present value of debt to GDP limit is estimated to be in the range of 48.6 to 49 per cent, and the Public Finance Management regulation places the net present value of debt to GDP at a limit of 50 per cent. This means any additional huge borrowing could lead to a breach of the limit that has been set by the PFM regulation. However, it good to note that there is absolutely nothing wrong with borrowing. What matters is what we do with the money we borrow.

However, because of the various concerns raised by many people because of our level of borrowing, it is important to note that the Committee had a chance to interact with many people on the issue of debt management. Indeed, the country has been accused of accumulating a lot of debts. We had an analysis of the debt accumulation as a share of GDP across not just the East African countries but also the sub-Saharan African countries in the last five years. I can tell you that Kenya is among the best performing countries in sub-Saharan Africa. Even economies such as Nigeria – which is the biggest and strongest in Africa – have accumulated debt to a level of 69 per cent in the last five years. Kenya is only at 28 per cent. Our East African peers, Tanzania, is at 28.1 per cent. South Africa, which has a bigger economy than Kenya's, is at 29.3 per cent. In terms of the internationally accepted thresholds of debt to GDP, again, our country is at about 49 per cent against the international threshold of about 74 per cent. Therefore, a threshold of 74 per cent against 48.6 per cent or 49 per cent, we cannot say we are doing badly.

I want to move to the deliberations of the Departmental Committees on Budget and Appropriations. A number of recommendations, as articulated in the Report, were made. I would wish to put across one or two things, especially on Ministries, Departments and Agencies (MDAs) incurring expenditures without any budgetary provision. Everybody in this country knows that is illegal and leads to accumulation of pending Bills. MDAs have a number of pending Bills as a result of that. Other issues include delays in Exchequer release by the National Treasury. We have made recommendations on that. We have also covered the area of vertical allocation of resources and very soon the Division of Revenue Bill will be brought before this House. We had an opportunity to interact with the Commission on Revenue Allocation (CRA). We listened to them and got their proposals as stipulated in this Report in terms of vertical allocation of resources between the county governments and the national Government.

Therefore, the Committee wishes to thank the Office of the Speaker and the Clerk of the National Assembly for the support they extended in fulfilling our mandate during the review of this year's Budget Policy Statement and Medium-Term Debt Management Strategy (MTDMS). The Committee is also grateful to all Departmental Committees, the chairs and Members of

Parliament who participated in the process of reviewing the BPS and MTDMS for working very hard to ensure that the Report is finalised in time. As you will remember, I stood when these Reports were tabled by the Leader of the Majority Party exactly 14 days ago. I reminded chairs of committees that they had only seven days and they were able to work very fast and within those days they gave us reports to consider.

I also wish to express my gratitude to the Parliamentary Budget Office (PBO) and I can see some of the officers here. They gave their unwavering support to this Committee and all other Departmental Committees as they discharged their mandate of reviewing the BPS 2018 and the MTDMS 2018/2019. We may have to look at how we can further strengthen this office in terms of its mandate to include monitoring and evaluation and also increase staff strength so as to support all Departmental Committees. We noticed during our meetings that a number of our chairs, who are new Members of Parliament, had a problem dealing with BPS because of the resource gap in terms of officers. I want to encourage the Parliamentary Service Commission to consider expanding the staff levels of the Budget Office and second officers to each Departmental Committee so that we have one framework for the Committees to use.

With those very many remarks, I beg to move and invite the Leader of the Majority Party to second.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): The Member for Garissa Township and the Leader of the Majority Party to second.

Hon. A.B. Duale: Thank you, Hon. Temporary Deputy Speaker. First, I want to thank the Chairman of the Budget and Appropriations Committee and his Members for living within the timeline period given to them by the House. The BPS 2018 is the first policy document under the duly and democratically elected Jubilee Government. The BPS is prepared pursuant to Section 25 of the Public Finance Management Act. The BPS is one of the budget documents which this House approves every year and is going to do so in the next five years as part of its oversight role on public finance management.

If you look at the current BPS, you will realize that it provides an opportunity for this House to engage on budget matters at a policy level. Thus, the BPS is one of the budget documents which allows for consultations between all stakeholders, the Executive and Parliament - more so, the National Assembly - on how to use and mobilise resources.

From the outset, I need to appreciate the expeditious manner in which the Budget and Appropriations Committee has executed its mandate in processing the BPS 2018. I would also like to appreciate the National Treasury for preparing the BPS as required by law. The compliance level in terms of legal requirement in preparing the BPS this year is commendable and we would like to appreciate the National Treasury for its effort and dedication in this particular work.

The Chairman has spoken about the big four agenda. Under that banner, the BPS 2018 outlines key interventions in manufacturing, agriculture, food security, healthcare as well in job creation and housing. If you look at job creation and the general improvement of the quality of health of our people, all these four items are interconnected. To achieve the big four agenda the Jubilee Government is set to increase the share of manufacturing sector from the current 9.2 per cent to 15 per cent of the Gross Domestic Product (GDP) by the year 2022. That is the target. I wondered when the Chair said that this BPS does not have targets. The target under the BPS is that in manufacturing we must move this sector from the current 9.2 per cent to 15 per cent of the GDP by 2022.

At the same time, revamping the manufacturing sector will increase both the formal and informal manufacturing jobs to about 400,000 under the pillar of supporting value addition and raising the manufacturing sector share of the GDP to 15 per cent. For us to achieve revival of the manufacturing sector, we have to do it through various policy initiatives which are also found in this BPS. They include the textile industry, leather industry and agro-processing industry among other key sectors where various tangible deliverables have been highlighted. This BPS gives a lot in terms of the highlights, the sectors, what is to be achieved, the percentage and of course the resources to be allocated.

Let us look at what this Government wants to do through this BPS on food and nutrition security to all Kenyans. In order, to achieve food security and proper nutrition to all Kenyans the Jubilee Government through various and well-thought interventions targets to increase production of various food crops such as maize, rice and potatoes.

Providing universal healthcare coverage for all Kenyans is another pillar. Over the next five years the Government targets to put in place a universal healthcare cover where all Kenyans will access quality and affordable healthcare. The Jubilee Government targets to cover all Kenyans by the year 2022.

Let me go to what we want to do in terms of housing. Access to adequate and affordable housing is a constitutional right to all citizens as enshrined in the supreme law. Despite this constitutional right, the country faces serious shortage in supply and provision of decent housing. It is against this backdrop that the Government intends to have a policy intervention in place by targeting to provide 500,000 affordable new houses by the year 2022. It is against this backdrop that the Government intends to have a policy intervention in place by targeting to provide 500,000 affordable new houses by the year 2022.

What is the role of devolution both for this Government and in the BPS? Let me underscore to this House the Jubilee Government's commitment to support the devolved system of government. We are confident that the Kenyan people have given us an opportunity to provide resources to the devolved system of government. This Government, under the leadership of Uhuru Kenyatta, has shown that continuously by increasing the allocation to counties from Kshs210 billion in the Financial Year 2013/2014 to Kshs323.8 billion in the Financial Year 2017/2018. This represents 54.2 per cent in budgetary allocation to counties. We have even surpassed the threshold given in the Constitution. All that we need from the county governments is that we should not close our eyes in the various financial risks which are also found in the county governments. Corruption and wastage of public resources is at the highest level in county governments. All these are going on despite Government giving enough resources and committing itself to devolution. The independent offices like the Office of the Auditor-General, the Ethics and Anti-Corruption Commission and the Controller of Budget must be put to task to make sure that every penny that this House allocates both to the national Government and county governments is saved.

Let me go to the debt management strategy – the current debate in the country – which, in my opinion, has been blown out of proportion. The country's public debt remains sustainable. The debt level is well within the sustainable levels and also within the 50 per cent of the Gross Domestic Product (GDP) limit. We are telling our colleagues not to just say the debt level is souring. Look at the figures and the analysis; we are still within limit of the 50 per cent of GDP. Today in Japan the debt level is at 200 per cent to their GDP. In the United States of America, it is over 100 per cent to their GDP. In countries that have invested in infrastructure like Korea,

Singapore, Malaysia and the United Arab Emirates (UAE) it is between 78 to 90 per cent of their GDP. We are still below 50 per cent of the GDP. This is in line with the Public Finance Management Act requirements and is also in line with the East African Community Monetary Union Convergence Criteria on debt levels. The overall results from the debt sustainability analysis indicate that the country's public debt is sustainable and it is expected to remain sustainable even in the medium-term.

Whereas the country's debt level is sustainable, the Jubilee Government has found it fit to continue implementing prudent debt management practices and policies. The question that this House that has the oversight role must ask itself is: "Are we using the resources we are borrowing for the right course?" That is the question. If we borrow to build the Standard Gauge Railway (SGR), are we seeing the SGR? If we borrow to build and expand the Jomo Kenyatta International Airport (JKIA) terminals, are we seeing them? It is the business of this House. It is not the business of economists to go to television talk shows. It is the business of this House that both the money that we collect from the people of Kenya and the money we borrow either domestically or internationally, where we pay interest rates, is accounted for. That is a function of this House. We cannot run away from our cardinal constitutional duty. So, it is very sad for a Member of Parliament out there at a funeral to start questioning the debt sustainability of our country.

Members of this House have the right to ask the CS for the National Treasury to bring the debt books and come here and open for the House to confirm whether the debt exists and whether that the money he has collected and borrowed are in his books. How does he want to pay and is there value for that money he has borrowed? The CS has tabled the medium-term debt strategy document. It is for this House to look at the document and the Budget and Appropriations Committee to prepare a report and for the House to come and discuss and adopt and indict individuals who they feel are misleading the country on macroeconomic pillars. The debt management strategy as presented by Government is consistent with the various macroeconomic indicators as contained in the BPS of 2018.

The medium-term debt strategy is carefully designed to ensure that the Government has in place a solid and feasible strategy of financing the budget deficit. So, even when the CS says there will be a deficit, he has provided to this House and to the nation how he is going to finance that deficit. Let me reiterate that borrowing by the Jubilee Government will be utilised prudently in financing the infrastructure projects as well as the big four agenda in order to have maximum benefit to our country. Let me stress that the Government commitment to the debt strategy will be implemented through a borrowing plan anchored on the government cash flow requirements. All this borrowing is factored in when you really look at the cash flow of Government. How much do we need to borrow? How much have we raised? Where do we want to use that money? I want to inform Members of this House that as they deliberate on the BPS and the Debt Strategy Paper, they should be guided by the bigger picture of the socio-economic transformation that has been going on for the last five years under the leadership of President Uhuru Kenyatta. I urge the House to adopt this Report by the Budget and Appropriations Committee on the BPS 2018 and the Debt Strategy Paper and it is my hope that the House will relate with the Budget Policy proposals advanced by the Committee.

Let me come back home. This morning we had a meeting as the Liaison Committee chaired by the Deputy Speaker. We are putting the chair of Budget and Appropriations Committee on notice. I want to go on the HANSARD that when you are going to deal with the

budget of the Parliamentary Service Commission (PSC), the resources of both Houses must be shared on a pro-rata basis. There is no way you can have 349 members being given the same amount as 67 members. It has never happened anywhere in the world. So, Hon. Kimani Ichung'wah, whether our friends like it or not, we will go per capita as Hon. Junet is saying. More resources must be put for the committees of this House. You have allocated Kshs1 billion to the PSC for development. We expect that money to go towards the completion of this building where we will have state of the art committee rooms and offices. We cannot see this building just because there are no resources.

Hon. Ichung'wah, the budget-making process within the reading of the Public Finance Management Act and the Constitution is a function of the National Assembly. We will deal with our friends when it comes to the Division of Revenue Bill and the County Allocation of Revenue Bill. However, on the budget of PSC, you must and if you do not do it, we are watching you and we are going to amend it on the Floor of the House. I am ready to take the Floor and amend that.

With those many remarks, I beg to second.

(Question proposed)

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Members, the first one on our request list is Member for Suna East.

Hon. Nuh: Hon. Temporary Deputy Speaker, thank you for giving me an opportunity to contribute to this important document.

I want the Chairman of the Budget and Appropriations Committee to listen to me carefully. The Constitution gave the mandate of the budget-making process to Parliament. The Committee should not be subservient to the National Treasury. When you have a provision of the Constitution that has given you mandate with original jurisdiction, then you must exercise that mandate in full. That is the only way you can help the country in development of all kinds. There is a reason why Parliament was given the budget-making process differently as compared to when we were under the previous Constitution. This is where Kenyan people send their problems. The representatives of the Kenyan people are in this House. If you look at this Budget Policy Statement, there are very good recommendations that have been made by the Committee. Will the National Treasury adhere to those recommendations when they bring the Estimates? They will not. This is just a talk show. We are just discussing... We are critiquing the document. When the Estimates come here, the National Treasury will not have taken even a single note of any issue that the Committee or the plenary has recommended. It happened in 2017, 2016 and 2015. Luckily, I was here.

I want to urge the Committee that when the National Treasury brings the Estimates, there should be a memorandum following those Estimates stipulating the issues that have been raised by the Committee and Members of this House, and whether they have adhered to them, and give reasons for the ones that they could not adhere to. The Standing Orders say that the National Treasury should provide a list of all projects that they intend to do. When I checked the Budget Policy Statement, there was no single mention of any project that they intend to do. That is an omission of the law. We must hold the National Treasury accountable against the Standing Order which says that it should provide a list of projects that it intends to do.

The National Treasury projects that the economy will grow at 5.9 per cent for the Financial Year 2018/2019, 6.3 per cent for the Financial Year 2019/2020 and 6.8 per cent for the

Financial Year 2020/2021. It is pegging this growth on agriculture. They are thinking that the Almighty God will be so kind to them and that they will have good weather throughout. It will be raining all the days and all the time. This is one of the fewest countries in the world that has meteorological departments but they never advise the governments to make policies. Our country acts only when events happen. We are going through severe drought now. It is like the Meteorological Department did not know that there will be drought at this time. The Government acts when it hears that accidents have happened. It will never stop, foresee or take preventive action before that happens. They are distributing relief food now. Who told them that there will be no drought in 2021, 2020 and 2019? They are saying that the economy will grow at 6.8 per cent. They should come up with mechanisms that will help them focus, so that they can be sure. The National Treasury will review these figures very soon, and say that the economy will go at 3.5 per cent because we have severe drought. However, in the Budget Policy Statement, they told you that the economy will grow at 6.8 per cent two years ago. That is something that happens all over again. So, I expect the National Treasury to change its methodology of doing the economic growth.

The African Development Bank says that the East African region remains to be the fastest growing region in the African continent. Those growths are attributed to our neighbouring countries because we are all in the East African Community in the sub-Saharan part of the continent. When we check our indicators, our neighbouring countries are doing better than us, for example Tanzania and Rwanda. East African region is not Kenya. It has seven or eight countries, including South Sudan. So, we have a lot of work to do. It is better when we tell each other the truth. Jubilee Government has perfected the art of good writing, manifestos and proposals, but in fact, they achieve zero.

The Budget Policy Statement indicates that there will be an increase in net foreign financing from Kshs200billion to Kshs250billion.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Junet, there is an intervention from the Member for Kikuyu.

Hon. Ichung'wah: Thank you, Hon. Temporary Deputy Speaker. I have a lot of respect for the Minority Whip who has been resisting, even reading.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Chairman, is there anything out of order?

Hon. Ichung'wah: It is only in order that when he makes allegations, he substantiates. He is dropping figures without substantiating. As I spoke, I alluded to facts that are there. I am ready to table before this House the debt accumulation.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Chairman, which figures are you disputing? Put across what is out of order.

Hon. Ichung'wah: The comparative he is doing of other East African countries. I mentioned a few. I mentioned Uganda and Tanzania. If he wishes, I can table this document that has figures from all sub-Saharan African countries, including South Sudan which he is talking about. Therefore, I want him to substantiate and tell this House or the country where the data is when he talks about other countries. What is he basing it on? It is a very easy to talk but facts and figures are so stubborn that you cannot dispute them.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you, Hon. Chairman. You do not have a figure that you are disputing. Member for Suna East

Hon. Nuh: Hon. Temporary Deputy Speaker, it is worrying when the Chair of the Budget and Appropriations Committee is the one who is defending the Government. It is very worrying because he is trying to short change the Kenyan people. It is a fact that Tanzanian economy is doing better than the Kenyan economy. I am not here to please anybody. Let me continue with my contribution.

The Budget Policy Statement indicates an increase in net foreign financing from Kshs200 billion to Kshs250billion, but a reduction in the development budget of Kshs637.90billion which raises concerns as to whether the additional funds are from loans which are not tied to any development project. The Government borrows loans and then it takes them to Recurrent Expenditure. Prudent financial management requires that when you borrow, you do so for development. They are “eating” money that they have borrowed left, right and centre. I used to hear of people who lived beyond their means. Now we are coming across countries that are living beyond their means. When you cannot live within your means and can only do so on borrowing, then there is a problem. If you do not face that problem head on, you will not rectify it.

I want to give you a good example of wrong borrowing. The Government, through the public-private partnership, entered into a wind power project in Lake Turkana. The contractor has finished his work, but the Government has not provided the transmission system to evacuate that power from Turkana to the place it is required. The last time I checked, the Kenya Electricity Transmission Company Limited (KETRACO) was part of the Government. Now the Government will incur over Kshs5 billion in losses because of KETRACO not evacuating the power from Lake Turkana. That was an unnecessary financing through debt.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): There is a point of order. For you to stand on a point of order, you have to be on intervention. Let me see who is on intervention.

Hon. Nuh: Hon. Temporary Deputy Speaker, according to the Budget Policy Statement (BPS)...

(Loud consultations)

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Order Members! Hon. Junet, this is a House of debate. There is an intervention from the Member of Nakuru Town East. He has not put his card in the slot. Let us have the Member for Nakuru Town East, the Chairman of the Departmental Committee on Energy.

Hon. Gikaria: Thank you, Hon. Temporary Deputy Speaker. As much as the Chief Whip of the Minority Party is contributing and as the Chair of the Budget and Appropriations Committee has indicated, it is right for him to have facts. It is not that the Government has been unable to complete the transmission line. We are tabling a Bill called the Land Value Index Laws that will address matters of compensation. The line is not complete because the community has refused to allow the contractor to proceed. So, it is important for the Chair to get the facts.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Chair, we are turning it into an argument. If you have the facts that he is disputing, then you should also give them to him when it is your turn to contribute. Order! Hon. Gikaria. When it is your turn to contribute, please, be ready with your facts so that you can also put them across. This is a House of debate.

Hon. Member, you have two minutes.

Hon. Nuh: Hon. Temporary Deputy Speaker, I hope you will compensate me for the time wasted. I do not know whether we are living in different countries. It is a fact that there is a project that has been completed in Turkana County of wind power in which KETRACO did not put measures in place early enough to evacuate the power. Now the country is incurring an expenditure of Kshs5 billion as fines and interest to the power company. It is a fact. You cannot run away from facts whether you are from Jubilee or whichever government.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Member, can you just make your argument?

Hon. Nuh: Hon. Temporary Deputy Speaker, let me continue with my contribution. Projects outlined in the previous medium-term plans have rolled over to the subsequent plans and delayed implementation of key projects, indicating that Vision 2030 is not on course. The Medium-Term Plan III meant for programmes for the next five years is not in place. That is an issue the Budget and Appropriations Committee Chairman will agree with me on.

Again, there is the issue of the big four agenda that Jubilee is talking about. If you look at this BPS that they have brought, the plan is as usual. It is about the Ministry of Interior and Coordination of National Government, Ministry of Energy and so on. There is no focus, policy document, strategy paper or sessional paper to shift resources to the big four agenda. We are in the National Assembly and there is no position or Government here. May God forgive some of these people.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): You have one minute.

Hon. Nuh: Hon. Temporary Deputy Speaker, some of the issues to be addressed by the big four agenda are devolved functions. Housing and agriculture are devolved. There is no collaboration between the national Government and the county governments in this BPS in addressing the big four agenda. It is mere talk and nothing more. Look at the kind of funds that they have devolved to counties. It is an increment of 4 per cent against an inflation rate of 7 per cent. That means that county governments cannot provide services as they did in the last financial year. The inflation rate is 7 per cent and the amount of money they have been given is a 4 per cent increment. Majority of services have been devolved to the counties. Here you are telling me that we will cover most of the big four agenda. Aspects of the big four agenda are domiciled in counties. If you want to achieve the big four agenda, you must devolve more funds to the counties. That is the easiest way you can achieve the big four agenda in this country.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Your time is over, Hon. Member. I had already added you two minutes. You have made your point. Order, Hon. Chief Whip of the Minority Party. Now you are out of order. You have made your contribution. Allow the other Members to contribute.

Hon. Members, allow me to give you this direction. Let us not make this House one of exchanges. It is a House of debate. If there is anything to raise as a point of order, let it be so. Either a Member is out of order or you are disputing some figures and have your facts. This is not a *baraza*. When you get your time to speak, you can put your facts across. I am neutral.

Allow me to give an opportunity to Hon. Cecily Mbarire to make her contribution and maybe she can raise her issues.

Hon. (Ms.) Mbarire: Thank you, Hon. Temporary Deputy Speaker. I rise to support this BPS.

From the outset, I congratulate the Chair of the Budget and Appropriations Committee and the entire membership for a job well-done. We appreciate the positive things they have said

about this BPS, but we also appreciate the concrete and positive criticism that they have brought to it. It becomes critical that certain facts come out so that we can do better next time and see better improvement in terms of the budget-making process.

Let me also congratulate the various departmental committees that sat down to listen to the Principal Secretaries and Cabinet Secretaries as they brought the budgets of the line Ministries and departments so that the same can go to the Budget and Appropriations Committee. There is a lot of energy towards that process. I like the energy with which the Members of the various committees, with their Chairs, put in terms of ensuring that this process went on seamlessly in the last one-and-a-half weeks or so.

Many of us, whose political ideology is social democracy, are extremely happy with the big four agenda that has been stipulated or brought forward by the Jubilee Government. I am particularly extremely excited about the issue of food security being a key agenda item that this Government will push going forward. I am also extremely happy about the whole idea of provision of universal healthcare ensuring that we have accessible, quality and affordable healthcare for Kenyans across the nation. It takes me back to 2003 when the then Minister for Health tabled the Universal Healthcare Bill before this House. I remember the politics and debate that took place at that time. We had insurance companies that worked round the clock to make sure it never happens. A lot of dirty propaganda was waged against that Bill. I remember, at the end of it all, the then Minister for Health, Hon. Charity Ngilu, who is now the Governor of Kitui County, ended up carrying that baby alone as if it was hers alone and not the National Rainbow Coalition (NARC) Government's baby.

So, Hon. Temporary Deputy Speaker, I am excited that this time we are not talking about universal healthcare being carried by an individual, but rather it is an agenda of the Jubilee Government championed by none other than the President himself. We have now come full circle. We know for sure that this insurance cover is helping private hospitals more than ever before. At that time, they fought it because they thought it would impoverish them. In fact, they are doing much better than they did then. I hope this House will truly support this agenda. Unless we remove the burden of healthcare from *mwananchi*, we will forever, as Members of Parliament, go to *Harambees* from January to December during the entire five years of our term. We shall be spending money that should have been provided through the universal healthcare. So, even as we challenge the Jubilee Government, it is good to accept that it has taken up a certain agenda that is huge and critical for this country.

It worried me when I heard the Chairman of the Budget and Appropriations Committee saying that as they looked at the BPS, they realised that there was a disconnect between it and the big four agenda, which we know comprises of food security, manufacturing and value addition, and 500,000 houses by 2022. This is a very ambitious agenda. There is a disconnect between budget allocation and the big four agenda. So, as a Member of the Jubilee Government, I get extremely concerned about that.

So, we call upon the National Treasury to take up this challenge from the Whip of the Minority Party, although he tends to exaggerate things for his own political agenda. We want to see the National Treasury taking up the real concerns by Members of this House. We cannot have a plan without a budget. The two must go hand-in-hand. We need to see that change. That has left me a very worried Member of the Jubilee Party and a very worried leader of the party in this House. I hope we will see real changes in allocation towards ensuring that President Uhuru

Kenyatta achieves the big four agenda and leaves a legacy no one can question. So, our business, as we sit here, is to make sure that the Jubilee agenda is realised and actualised.

Let me add my voice to the debt debate that is going on across the country. It is driven by politicians who want to cause panic in our nation. They want to make Jubilee Government look extremely irresponsible. Even at a family level, we know we cannot borrow more than we can afford. We only borrow what we can pay back. It is very clear that we are doing better than our peers in the region; it is not a lie. We are dealing with facts. It is important that when we stand in this House, we place facts on the Table. Unfortunately, we are not in a public rally where we say things without giving facts.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Cecily Mbarire, I ruled on that. Carry on with your contribution.

Hon. (Ms.) Mbarire: We must give facts because this is not a political rally. Kenya's debt accumulation in relation to the GDP is lower than most of the sub-Saharan African countries. Our debt is at 28 per cent to the GDP compared to Tanzania, which is at 28.1 per cent. South Africa a very big economy with 29.3 per cent. Ghana is at 47.2 per cent, Nigeria at 69 per cent and Ethiopia, which we all talk about everyday as the fastest growing economy right now, is at 61.8 per cent. These are facts that can even be Googled in this new age of technology. These facts cannot be hidden and one cannot lie. Facts are real stubborn. Please, look at those facts before you go to your meetings in Kamukunji or Kibera. Get your facts right. We depend on facts in this House and not on hearsay, rumours, innuendos or propaganda. That is where we are as a nation.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Cecily Mbarire, when contributing, sometimes listen. There is an intervention from a Member.

Hon. Member, let it be a point of order. You have to state how the Member is out of order. Yes, Hon. Baya.

Hon. Baya: Hon. Temporary Deputy Speaker, it is very important when an Hon. Member gives figures to disclose the source. Different people on Goggle have different figures displayed. There are sources that are credible and others which are not. I am afraid, probably, they have picked figures from River Road. It is very important that she discloses the source of her information.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Baya, it is time for Hon. Cecily to make her contribution, so let her make her do that.

Hon. (Ms.) Mbarire: This is the problem with Members who come here without facts. The information I am giving here today is a record of the House as given by the Budget and Appropriations Committee and accepted in the Committee. They asked questions because they needed to be sure of the information. I am not here to bring information that cannot be substantiated. I am willing to stand out there with the Hon. Member and show him this record. He needs to learn to research by reading. He cannot keep resisting. He must read before he comes here to take the Floor.

As a nation, the borrowing we do goes strictly to infrastructure. Even the Asian Tigers had to borrow to improve their infrastructure in order to grow their economies. That is what Kenya is doing. We will stick to that agenda because we have realised that there are people who want to deflect us from it so that in 2022, they can say we did nothing. The Government is focused and will not incur debt beyond our management. The Government will put the money we borrow straight to things that will help grow the economy, for instance, infrastructure. We

have never used loans for Recurrent Expenditure. Never ever! The Whip of the Minority Party stood here and lied to Kenyans that we borrowed money to pay salaries. Where on earth? We are not broke, as a country! We have never been broke and we will not be broke.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Your time is over. I confirm to Hon. Baya that he must read the Report to get the information he had sought. This is a House of debate. We cannot all agree because we debate from our own personal understanding and depending on our areas of concern. Allow me to give this chance to an expert in this area, Hon. Makali Mulu, who is also a Member of the Committee.

Hon. Mulu: Thank you, Hon. Temporary Deputy Speaker. I like listening to this debate because this is an area I can claim to have a bit of expertise. When you listen to some of the statements being made here, I am sure those who are in this area like me must be wondering whether we have the kind of knowledge required to analyse some of the issues. Let me just go straight to the point. I am a Member of this Committee, but there are issues which we must point out as a House. I mentioned earlier that this House has a very clear mandate in terms of budget-making. The reason we have this mandate is because we represent the people. So, when we debate the Budget, our work as Hon. Members is to fill the gap between the Executive and the people; work that the Executive cannot do because we are the representatives of the people.

I just want to point out a few things related to this BPS. The first thing is what my Chairman mentioned, which is the issue of failure to adhere to this House's recommendations as we move forward in the budget-making process. This House can never legislate in vain. The way forward is that we need a clear statement in terms of what has been done, what has been taken on board, what has not been taken on board and the reasons for not taking on board, as Hon. Junet said. That is critical so that we know what has been taken in and what has not been taken in.

Secondly, as I speak, there is a document called the Medium-Term Programme III (MTP III). In terms of our programming as a nation, we have the Vision 2030, which is a long-term plan. A medium-term programme is a five-year programme. It is a medium-term in terms of implementation. We also have the BPS, which does a three-year rollout. We have the Annual Estimates, which we do annually. When you do the BPS without finalising the MTP III, it is like putting the cart before the horse. We are helping the Jubilee Government to achieve their ambitious programme. When you achieve it, Kenyans, including Makali Mulu, will benefit. We are telling you to do things correctly. Get the MTP III completed and then, it will inform your BPS in future, as well as your annual budgets. In that case, you are in the right track. Remember, Hon. Members, there are international best practices which you cannot run away from if you want to develop as a country.

Thirdly, when you look at the BPS and look at the Medium-Term Debt Strategy (MTDS), there are variances in terms of details. What you find in the MTDS and the BPS in terms of debt management varies. It is not anticipated in a situation where two documents come from the same institution to find different figures. It gives a signal that there is a problem. This problem must be sorted out for Kenya to move forward. Before such documents are brought to this House, their authors must make sure that the figures read the same so that we are not taken for a ride. This House has Members who can pick those details even when they are not there. In this case, let that be done.

On the issue of ambitious economic growth, we have said it many times in this House. It is very clear. When you give ambitious projected economic growth, it means to some extent you also inflate your revenue generation projections. What are you saying? If the economy does not

grow to that level, then your revenue generation falls short of expectations. When it falls short of expectation, you have no choice, but to borrow. So, what happens? When you borrow, you make the situation worse than it is. There are models you can use to forecast proper economic growth. Let those models be used so that even when you do not get it right because it is a forecast, you are not very far from the target. That will help us as we budget forward.

On the issue of the big four agenda, I like the debate about it. I like it. I want to tell the Jubilee Government that all Kenyans are behind them in this regard. Why? The agenda is not coming from the moon. It is coming from the Vision 2030. It is derived from there because that is the long-term economic document. All Kenyans said that they wanted it and we support it. As I speak, the big four agenda idea is good, but if you want to achieve it, the “how” and the “when” questions must be answered. Currently, they are not answered. That is why we are saying that we need a framework through which we will be able to say how we will achieve this and when. That is the Monitoring and Evaluation (M&E) component. If the “how” and the “when” questions are not answered, you can as well dream about the big four. It will be a big dream at the end of the day. If you focus on the “how” and the “when” questions, it will be realised and Kenyans will benefit. My humble plea to our Jubilee counterparts, and to the Executive, is for us to come up with a strategy and an implementation framework which will answer the questions of “when” and “how”. We will then be home and dry in terms of achieving the big four agenda.

The other thing is the issue of programmes. When people say they want to see a list of programmes and projects, it is not because we have bad intentions. It is for proper monitoring and proper status review of these programmes so that we know how to allocate resources efficiently and effectively. Such a list becomes mandatory in that sense. So, you have no choice. It is either you provide the list or you continue allocating resources without the right framework and you fail to move far.

I have another issue on the big four agenda. My Chairman puts it rightly and correctly that part of the big four agenda will be implemented by the county governments and the national Government. In a situation where you have some county governments being administered by the minority side and others being administered by the majority side, you do not expect it to be a smooth flow if you have no framework in terms of how to engage. The Executive needs, at this early stage before we go far, to come up with a mechanism of engaging the county governments, so that the health and the agriculture components are implemented. If you do not do that, it is another pipe dream. I do not think Kenyans want to see a dream. They want to see reality because they want to improve their lives. The health component is very pertinent to this country. It is central to our people, both those who are in the Opposition and those who are in the Government. Kenyans care about service delivery. Once they elected us, what they want is service delivery, and that is what we should do.

The other point is the issue of Semi Autonomous Government Agencies (SAGAs). These agencies take a lot of money from the Exchequer. As a House, this is an area we have left some black spot. We hardly care about what happens to the money that goes there. Time has come, and I will support my Chairman on this, that we got the detailed budgets from the SAGAs, so that we can track what they are doing. Are Kenyans getting value for money? If they are not getting value for money, the parastatal reforms can come on board where we do away with some of them and restructure others so that the few that we leave can deliver to Kenyans. At the end of the day, they are supposed to be the investment channels. However, most of them are not investing. They

are actually taking more money than even the national Government. Therefore, this is another area we need to think about.

On the issue of public debt, I have said many times that it depends on the way you look at it. It is simple. There are indicators called “international thresholds”. They have not reached a bad level. They are not very bad, but what we are saying is that we should look at the debt service to revenue ratio. We are already over the threshold of 30 per cent. Let us not just mention the good ones. When you are above the threshold, it gives you a signal that if you continue that way, you are likely to be in the red zone. Let us remain in the green zone. In that case, we will be helping this country. How do we move to the green zone? Control your expenditure, reduce wastage and generate more revenue. If you do those three things, you will be back in the green zone. In that case, you are helping this country, but when you start shouting here, you are not helping.

If you pay more in terms of debt, you are reducing the revenue you remain with because debt payment is a first charge in the Consolidated Fund. You reduce the revenue you remain in terms of budget flexibility...

(Off record)

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Members, he is speaking from an informed point of view. Allow me to add him three more minutes. You have just three more minutes, Hon. Makali.

Hon. Mulu: I appreciate, Hon. Temporary Deputy Speaker. Thank you very much.

What I was saying is that when you pay 50 or 40 per cent out of your revenue to debt because it has to be paid before anything else, you remain with about 60 per cent. It restricts the way you can play with the Budget in allocating to different programmes. So, the lesser you pay in debt repayment, the better for you as a country because you are able to play around and have bigger room to reallocate resources.

The other issue is auditing of conditional grants. For the last four or five years, this country has been providing conditional grants to county governments. The big question is: “What are we doing as representatives of the people?” We must ask the hard questions. Are Kenyans getting value for these conditional grants or is it time we did away with them, retained money at the national Government then we can implement the projects? If they are not getting value for the grants, I do not see any need to add them. There is the issue of leasing vehicles, leasing medical equipment, the issue of village polytechnics and cancer centres. Money has gone out as conditional grants, but people are dying of cancer. Where are these cancer centres we are putting money into? So, somebody must be tracking these conditional grants so that Kenyans get value for money.

Last but not least, we also take our blame as a House. As we are talking, the only approved audited reports, and I wish to inform Hon. Mbarire Cecily, are for the 2013/2014 and 2014/2015 financial years. Even as we allocate resources to county governments, we are using data which is outdated. Our Public Investments Committee (PIC) and our Public Accounts Committee (PAC) need to put that extra gear so that they bring these reports up to time, so that we can allocate resources properly. The law is very clear that approved and audited reports are the basis for allocation. The only body that approves reports is Parliament. If we fall back in terms of approval, we are doing a disservice to this country. From a Budget point of view, Hon.

Gikaria, it is time, as a House, we rose to the occasion and made sure that we push these reports to the latest; just a year before the present. In that case, we will be helping this country.

As I finish, I think we cannot leave without saying something about the Fourth Estate. The only debates you see in the Fourth Estate are political. It is high time they shifted their thinking and the way they do things so that they start engaging Kenyans on economic issues which bring food to the table. Unless we do that, this country will not go far. Even as we go for these talkshows, let us get Hon. Members pushing for economic debates. We are tired of these political debates which do not put food on the table.

(Applause)

We need to have economic debates. We need to have social debates so that Kenyans can move forward.

With those few remarks, thank you very much. I settle my case. I second the Budget Policy Statement.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you, Hon. Mulu, a Member of the Budget and Appropriations Committee. He has a PhD in Economics.

Allow me to give the Floor to the Leader of the Minority Party.

Hon. Ng'ongo: Thank you, Hon. Temporary Deputy Speaker for giving me an opportunity to contribute to the BPS of 2018.

I know we all know what the BPS is all about. It is a document that sets out the broad strategic priorities.

(Hon. Ichung'wah and Hon. (Ms.) Mbarire consulted)

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Order, Hon. Members. Hon. Chairman of the Budget and Appropriations Committee, Hon. Ichung'wah, you cannot be upstanding. If it is consultation, just have the right place to consult. You must listen to the other Members.

Hon. Ng'ongo: I started by saying that I know we all know what the BPS is. It is a document that sets out the broad strategic priorities and policy goals that the national Government and the county governments will follow in preparing their budgets for the financial year that is coming.

This document must adhere to fiscal responsibility principles as demonstrated. It must indicate clearly that there is prudence, transparency and accountability in the management of public resources. It is in line with provisions of Article 201 of the Constitution and also the Public Finance Management Act, 2012, more specifically under Section 25. The BPS for 2018 is prepared to set out priority programmes and reforms to be implemented over the next five years. That is 2018 to 2022 under a banner that is titled "The Big Four Agenda Plan" which I have heard my colleagues refer to. These are lines and interventions in manufacturing, agriculture and food security, healthcare as well as housing that is expected to drive economic transformation agenda towards industrialisation, job creation and improved quality of life to the people of Kenya. When we debate this document, we should do so in line with achieving that objective.

There is need for the BPS to comply with the legal requirements. Looking at this BPS and considering that it is prepared under the PFM Act Section 25 and the PFM Regulations of

2015 Sections 26, 27, 28, 29 and 34, we need to interrogate it whether it met the legal requirements and also the requirements as provided in our Standing Orders. I will tell you for a fact that the BPS 2018 has a low level of compliance with the legal requirements as I have just enumerated. I do not want to go into the details because I know the Chairman talked about some of those mishaps or mismatches between it and the legal requirements.

I listened to Hon. Cecily Mbarire talk about how good we are doing and that we are doing better than Tanzania, Ghana and other countries. But I just want to remind Hon. Cecily Mbarire that the information out there is that even though the East African Community (EAC) is the best growing economy in Africa, it has seen a slowed growth from 2016 to date. This is due to prolonged drought, political tension and decline in credit growth. Even though East Africa is doing comparatively well in Africa, this growth is attributable mostly to two countries. It is attributable to Rwanda and Tanzania. As a matter of fact, Kenya is slowing the growth in this region, Hon. Mbarire. Maybe that is the information you did not have. This is information from the National Treasury. I can see the Chairman has not even read the document from the National Treasury. It is interesting that my Chairman has not read.

The Kenyan economic growth is slowing down the regional outlook. For example, for 2017/2018, Tanzania is registering 5.9 per cent growth and Rwanda is registering 6.17 per cent. It is 5.3 per cent for this country. So, Kenya is slowing down the growth in the region. Let nobody cheat you. We are just projecting 5.9 per cent growth, with attendant risks. I have heard people say, and I agree with them entirely, and Hon. Makali Mulu has spoken to it, that we need to be realistic when we are projecting economic growth. The current projection of high economic growth is based on the unreliable agricultural sector. Improved performance in the agricultural sector is the driving factor the National Treasury is considering to stir economic growth for us to realise the growth projections that we are relying on.

However, we all know that that assumption of improved weather conditions remains but assumptions. Further still, we have inherent structural weaknesses in the agricultural sector which have not been addressed. For example, the quality of seeds, the issue of irrigation, the issue of land fragmentation, the issue of transfer of technology, efficient processing and marketing of agricultural products, and the elephant in the room is corruption.

Hon. (Ms.) Nyamai (*Off record*)

Hon. Ng'ongo: There is no point of order you can raise. You cannot inform me. Corruption is a big issue.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Leader of the Minority Party, let us hear what Hon. Nyamai has to say. You are on intervention.

Hon. Ng'ongo: You will add me my minutes because this is a waste.

Hon. (Ms.) Nyamai: I have been keenly listening to the Hon. Member who is very experienced in this House. I also had an opportunity to listen to Hon. Ichung'wah, Chairman of the Budget and Appropriations Committee, who was very eloquent as he made reference to several documents from the Treasury. Hon. Mbadi has said that it looks like Hon. Ichung'wah has not read documents from the Treasury. So, can he tell us which particular document from the Treasury Hon. Ichung'wah has not read?

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Do you want information?

Hon. Ng'ongo: These are the things that I call complete waste of time. People who are so uninformed should not try to talk. Hon. Temporary Deputy Speaker, kindly give me my two minutes which have been wasted.

I have said that the East African economic growth in 2017/2018 was at 5.9 per cent. I have said that in 2019, we expect to grow at 6.1 per cent. Look at the Treasury information on the same data for Kenya. In 2017/2018, the growth is 5.3 per cent which is below the East African average. It is in the Treasury documents. Simple! You do not need to talk about things you do not understand and waste people's valuable time.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you. Now carry on.

Hon. Ng'ongo: So, Madam Temporary Deputy Speaker, I can teach you. Tell me if the growth was not 5.3 per cent and tell me if the East African region did not grow at 5.9 per cent. The 5.9 per cent is the growth in the East African region and 5.3 per cent is the growth in Kenya. Tell me if there is any other figure different from that. That is why I said that because Kenya is below average, Kenya is pulling other countries down. It is simple logic.

I have talked about inherent weaknesses in the agricultural sector. I have mentioned corruption. Where is Galana Kulalu which was talked about? It is killed by corruption! Then you tell us you want to improve agriculture when you cannot even handle a simple flagship project! The Jubilee's flagship project from 2013 to 2017 was Galana Kulalu yet they are no longer talking about it because of shame. It is dead! Our money has been eaten! Money was borrowed and put into this project and it has been wasted.

With regard to macroeconomic stability, we are facing significant pressure from the budget deficit and debt accumulation besides existing expenditure pressures, making it difficult for us to pursue any meaningful steps towards fiscal consolidation. I just want to summarise this because it is a long one. I want to summarise it so that those who do not understand may also understand. As the Leader of the Minority Party, I have an obligation to warn Kenyans as follows on debts:

Let us look at the BPS, which I did not prepare. It comes from the Treasury. From my further research, I have realised that our debt repayment in 2018/2019 is going to increase by Kshs316 billion. That is a fact from the BPS, yet projected increase in ordinary revenue which is basically the tax that we collect to run this country is going to increase by Kshs200 billion. What are you saying in short? That the increase in debt repayment this coming financial year is far much more than the increase in revenue collection that we project. That is even with the assumption that we are making. This clearly indicates that we will soon not be able to service our debts. We have just borrowed Kshs200 billion from the sovereign bond market, the Eurobond. Unfortunately, this is what the Treasury has not told Kenyans, and I want to tell it to Kenyans. In 2014, when Eurobond was first floated, we sold Eurobond at 5.875 per cent. The recent Eurobond was sold at 8.25 per cent, yet a country like Egypt in the same month, from the same market, sold their Eurobond at six per cent. Nigeria, which is another African country, within the same market and same month, sold at 6.7 per cent. The Treasury must tell us why they sold our Eurobond at a higher interest rate of 8.25 per cent because Kenyans are going to pay. By the way, in domestic market, bond is sold at 8 per cent. But to make it worse, this Kshs200 billion, for those who are not aware, only half of it is coming to this country. About Kshs100 billion is going to be used to pay a syndicated loan that we had taken, which loan is due for payment next year. So, we are effectively just bringing Kshs100 billion to this country and not Kshs200 billion.

Those people who are saying that we have borrowed this money for development, better be warned. We have not borrowed it for development. Half of it is going to be used to pay loans

we do not know what the money was used for. The Government is unable to provide us with the list of projects. Even in the BPS, the Government has failed to provide us with a list of projects.

Hon. Ichung'wah: On a point of order, Hon. Temporary Deputy Speaker.

Hon. Ng'ongo: I think the Chairman will have time to respond.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Leader of Minority Party, the Chairman is on a point of order. What is out of order? I am sure you will have time to reply to all these things.

Hon. Ichung'wah: Yes, I will have time to reply, but it is also incumbent on the Leader of Minority...

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): What is out of order? I want you to go straight to the point.

Hon. Ichung'wah: He is not in order. He is out of order. That is why I rose on a point of order, not a point of information. I would have stood on a point of information, and he would decide whether he wants me to inform him or not. My point of order is simple. Facts are very stubborn.

The Leader of the Minority Party, with all due respect to him as a good accountant, knows for a fact that the syndicated loans that are being retired, whatever amount they are, are syndicated loans that went to Development Expenditure. Therefore, he is completely out of order to claim or allege that the syndicated loans being retired have not been used for Development Expenditure. Therefore, it is only right that when we make allegations we also substantiate.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Leader of the Minority Party, the indication is about the syndicate loans.

Hon. Ng'ongo: This is the problem with having a Chairman who is new in a committee. This Chairman should even know that the Office of the Auditor-General has questioned the projects where we spent the money we borrowed. This is a report that is in Parliament. He is also showing another level of ignorance. Any document that in Parliament...

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Order, Chairman. If I were you, I would be listening. Hon. Mbadi, you cannot shout here.

Hon. Ng'ongo: Hon. Temporary Deputy Speaker, the Auditor's report was tabled in this House and you cannot blame me if they have not read it.

Let me put my point across. I am saying that it is hard to tell whether this money is going to be used for development because no one knows. No one can tell you the projects that this money is going to finance.

The appetite for borrowing has crowded the private sector in this country and has slowed growth in this sector which is affecting job creation. I want to state categorically that even the so called stable rate of inflation may not be sustained in the near future because of the possibility or volatility of food prices that we see in this country, especially with regard to *La Nina*. The BPS document has indicated that the BOP position improved to a surplus of USD164 million from a deficit of USD129 million in 2016. This is attributable mostly to improvement in the financial accounts. Financial account is basically improvement in taking loans. The BOP has improved because we are borrowing so much. Then you want to tell us that the country is on the right trajectory! The continued underperformance of Kenya's export with no clear strategy on how to change it will hurt this country badly.

How many minutes was I added? There was a lot of unnecessary interruptions.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): You only have two minutes remaining.

Hon. Ng'ongo: It should be three.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): They had their right to rise on points of order.

Hon. Ng'ongo: Look at the increase in debts. For this year, we are increasing the borrowing by Kshs181 billion, but money being put on development is decreasing by Kshs27 billion. If someone told you that actually we are borrowing to meet Recurrent Expenditure, that person is not very far from the truth, because if in your documents you are telling the country that we are increasing debt by Kshs188 billion of external debt and Kshs93 billion of domestic debt, but Development Expenditure is increasing only by Kshs27 billion, where are you taking the rest of the borrowing? The answer is simple: You are borrowing to meet your Recurrent Expenditure.

Allow me to say this as I wind up because I do not have time to touch on other issues. Issues of economics are not issues to be arrogant about. They are not issues to chest thump and tell us that you are going to borrow whether we like it or not. It is the issue of telling us the value of that borrowing. The International Monetary Fund cannot be wrong. The Kenyan economy has been downgraded in terms of credit rating by a global body. It is not even the Opposition. It is not about political rallies you are talking about. We did not organise a political rally to ask Moody's to downgrade us. All experts, apart from the Jubilee mandarins, are in agreement that this economy is going south in terms of debt accumulation.

I want to conclude by saying that Jubilee needs to be very careful about our future. It is not a question of being sycophantic. It is not a question of coming here and saying that, because you are Jubilee, you have to defend even the indefensible. The borrowing that this country is getting engaged in must come to a stop. We must regulate it. Nothing is wrong with borrowing, but when you are borrowing in a way that is not adding value to the economy, if you are borrowing to pay Recurrent Expenditure, if you are borrowing for people to steal, if you are borrowing to sweep streets, that is not a borrowing that is properly thought about. I know even some Members of Jubilee like Hon. Ichung'wah are just trying to play politics, but they know it is dangerous. On the roads sector, for example, the Jubilee Government started so many roads, a populist thing, but there is no money in the Budget. Now you make the committee in charge of roads to come begging to us, that, please, give us money.

Hon. Nuh: *Ongeza. Ongeza.*

(Loud consultations)

The Temporary Deputy Speaker (Hon. Ms. Mbalu): Hon. Junet, you are out of order. You do not shout in the Chamber. Hon. Cecily Mbarire, too, you are out of order. The Chairman too. I can see he wants to consult with the Leader of the Minority Party.

Anyway, thank you Members for your contributions. Allow me to give a chance to a Member of the Committee, Hon. Mugambi Gichuki. I can also see the PAC Chair is in the House.

Hon. Mugambi: Thank you, Hon. Temporary Deputy Speaker. I rise, first, to appeal to this House that when we start to talk about matters of the economy, we should all unite. We should all unite because we are talking about the future of our country. For the current debt level

which is generating a lot of debate, we had a meeting with the IMF and they gave this country a clean bill of health and accepted that the country has bigger capacity to borrow. It is very difficult for any country, even individuals who want to grow, to grow without borrowing. All the first-class economies are where they are because they borrowed. Today, we should appreciate when we know that the Government has already completed a project like the SGR after borrowing. We know this project will help generations to come.

The biggest challenge with our debt today is not the quantum. It is the quality because a lot of our debt is short-term. This is where the Government is coming in and trying to externalise part of the debt and taking longer-maturing debts. Every Member of this House should support that move, so that we move out of local borrowing in terms of short-term Treasury Bills to longer debts which can do long-term projects. Today, among the four main investments the Government wants to undertake is housing. It is a very long-term project which cannot happen with short-term debts. We must, therefore, rise to the occasion and look for long-term debts which can finance long-term investments.

The manufacturing sector that the Government is going to invest in, is going to help a lot in improving exports and by doing that, it will improve the country's capacity to generate foreign exchange. If you are able to generate more foreign exchange, this country will reduce the risks of debt exoneration. It is the reason why we should all rise to the occasion to support the Budget as it is. However, obviously, as a House that represents the people, we should insist that we want to see deliverables in terms of where the Government is investing.

If we go to health, we want to see a clear collaboration between the national Government and the devolved units. We know health is devolved, but the Government is committed to providing universal healthcare to every Kenyan. The way to do it is through a very smooth collaboration between the two levels of Government. We know they all serve the same Kenyans. This House needs to come in and ensure that all this collaboration is properly defined and provided for in the budget-making process.

When we look at agriculture, a lot of money is going to do dams so that we will no longer continue to depend or be affected by the vagaries of weather. That is why all Members of this House, including the Opposition, must support what the Government is doing. These dams are being distributed and are being built all over the country. They are built where the Government has established that food can be generated for this country. We know that agriculture will provide a big base for raw materials to help improve on manufacturing. We know that the Government has plans to do value addition in livestock and agriculture. This will go a long way in saving the country a lot of money that has been spent on importation of foodstuffs. This will also improve the budget deficit and our current account deficit.

I, therefore, support.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you, Hon. Mugambi Gichuki, Member for Othaya, who is also a Member of the Committee. I will now give a chance to the Chairman, Public Accounts Committee, Hon. Opiyo. Members, you must be aware that we have three watchdog committees in the House.

Hon. Wandayi: Hon. Temporary Deputy Speaker, thank you very much. I will be very brief. As you rightly put it, this is a matter that really concerns us. It is a matter of interest. The BPS is a matter of interest to the Committee that I chair. The final analysis, my Committee must be able to establish if at all these funds have been applied properly, lawfully and effectively. That is why I have a keen interest in this.

Hon. Temporary Deputy Speaker, a lot has been canvassed. I have been listening keenly and, therefore, there is no need to belabour the points. It is important for us to take cognisance of the fact that the 2010 Constitution bequeathed this country two levels of Government, namely, the national Government and the county government. No meaningful progress can be made in this country if the two levels of Government do not operate optimally. A situation where one level of Government is operating optimally while the other one is operating below optimal levels does not augur well for our overall progress and development. Why do I say so? It is a fact that the equitable share of resources that eventually go towards financing this Budget is a matter that is dependent upon the approved audited reports of various accounts of both the national Government and county governments. As was rightly put earlier by Hon. Makali Mulu, the audited accounts that we are relying on in this particular Budget cycle are the accounts of 2013/2014 Financial Year. Regardless of how much percentage we are talking about being taken to the counties, the fact of the matter remains that we are operating on very old and stale accounts. It is incumbent upon this House and my Committee to up the game and ensure that the accounts that are audited are approved in real time, if possible. My Committee is working tirelessly to ensure that the backlog of these accounts is cleared so that come Financial Year 2019/2020, we will be talking about using the accounts of 2017/2018.

It is also important to be aware of the fact that once the Budget cycle commences, as it has, we follow it through to its logical end. As I speak, there is a serious financial crunch in the counties. It is a financial crunch which is unprecedented in nearly all the counties. Initially, I thought it was affecting the counties aligned to NASA. Apparently, this is a problem affecting all the counties. Therefore, the root cause of this problem must be known. The National Treasury is not coming out forthrightly to tell us what the problem is. As far as we are concerned, the Kenya Revenue Authority continues to collect taxes from Kenyans. The revenue collected is supposed to be disbursed to the county governments and other public bodies that are supposed to utilise the funds. Even as we debate the BPS, it is important that we get to understand the root cause of the undue delay in disbursement of the funds meant for the counties. If we strangle the counties, however much the national Government performs, this country will not progress.

There is another issue that keeps recurring. Most of the functions were devolved to the counties. However, that was done without proper costing. Year in, year out, they have to contend with county governments which have functions to perform, but which functions they cannot perform effectively on account of lack of adequate funds. That is an issue which will have to be addressed at one point or another.

The matter of debt levels has also been canvassed. From where I sit, I am very uncomfortable. I listened keenly when the Leader of the Majority Party was talking. He made a comparison of our debt to the GDP ratio with the debt to GDP ratios of other countries, including the USA. It was foolhardy for him to compare our situation with situations of USA and other developed countries.

In other countries, unlike ours, they have in place very adequate social security safeguards which cushion the ordinary person from the effects of this wanton borrowing. Eurobond II has been mentioned here. As you are aware, there are questions which still remain unanswered about Eurobond I. Indeed, my Committee is still waiting for the report of the special forensic audit that was to be undertaken by the Office of the Auditor-General on Eurobond I. It will be important for Kenyans to be given adequate information and, of course, as a Committee, we wait for the reports. We do not act in vain.

It is important that as we continue to borrow, we keep in mind the fact that what we are borrowing will be paid by future generations. Therefore, we must borrow responsibly and prudently. There is no need to gainsay the fact that when you borrow to finance Recurrent Expenditure, then you are doing this country a great disservice. There has also been mention of the big four agenda. If you asked me, it is a question of leaving a legacy. If I were the person craving for a legacy, I would only deal with one particular problem squarely. That problem is corruption. All other things are secondary issues. Deal with corruption head on. Target the big thieves, take them to jail and throw the keys in the river and you will have addressed more than 75 per cent of the problems which affect this country.

You heard the Leader of the Minority Party speak very eloquently about agriculture. It will be hard to assume that you will register some reasonable economic growth rate on the basis of rain-fed agriculture. It is only in this country where I see that kind of an assumption. This country will only undergo transformation in the area of agriculture if we embrace irrigation. But what have we seen in the last few years? For instance, the ambitious Galana Kulalu Project. I was in the Departmental Committee on Agriculture, Livestock and Co-operatives together with my good friend, the Chairman of the BAC, Hon. Kimani Ichung'wah, and we saw what happened. That ambitious project fell flat under the weight of massive corruption and outright theft. I still wonder if those Israelis are still in Galana. They were brought in to supposedly help us manage the project. It is a shame that, that ambitious project fell down before our own eyes. I understand it has been taken to the National Youth Service (NYS). I wonder how the NYS is going to succeed where a full Ministry failed.

I have also heard about housing as a key agenda item in the big four agenda. You make housing a key agenda item and then go ahead and lump it together with other mega departments called infrastructure, transport and what have you. The moment you do that, I am extremely concerned.

Thank you for giving me two more minutes, Hon. Temporary Deputy Speaker. The moment you remove the Department of Housing...

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Chairman, you have given yourself a minute.

Hon. Wandayi: I thought you gave me two minutes.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): But now that you are my Chairman, just use one minute.

Hon. Wandayi: Thank you, Hon. Temporary Deputy Speaker. As usual, I am very judicious in time management.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): No, I will allow you one minute.

Hon. Wandayi: When you want to address the issue of housing which touches the hearts of the common person, we must know how serious you are by the way you want to manage it. But when we see you removing that very key docket from the Ministry of Lands and Physical Planning where it rightfully belongs to lump it together with infrastructure, roads and transport, then we see your intentions, which is not to help poor Kenyans access housing, but to enable the well connected, politically correct individuals to line their pockets. That is my fear.

With those many remarks, I thank you very much. God bless you.

(Hon. (Ms.) Mbarire spoke off microphone)

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Cecily Mbarire, today you are shouting. Please, follow the procedure. Hon. Members, this is a House of debate. Thank you, Chairman of PAC. Your Committee is very important to this House as much as the BAC is important. Of course, yours is for oversight.

Hon. Members, allow me to give the Floor to my counterpart on the other side, the Vice-Chair of BAC, Hon. Moses Lessonet.

Hon. Lessonet: Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to contribute to the Motion on the BPS.

The BPS marks the beginning of the budget-making process in this country. All the Members know that the budget-making process is a matter for this House. Whatever the Executive brings remains a proposal. One topic that has been discussed the most is borrowing by the Government of Kenya. We are not at all almost about to default in repayment of any debt. That is why when the National Treasury went abroad and organised a road show to solicit for borrowing through Eurobond II, you saw the response from potential investors who wanted to lend us up to US\$14 billion, but we could only take US\$2 billion. We needed US\$2 billion. Financial experts have various ways of managing debt. If you look at the team that we have at the National Treasury, and the quality of Members of Parliament in this House, they are up to the task in terms of making sure that debt is properly managed in this country.

The Leader of the Minority Party alluded that most of our money in the near future will end up in debt repayment. I said earlier that there are many ways of managing debt, including lengthening the period of the payment. If you go back to the United Kingdom in the early days, there was debt that was undated. It had no expiry date. The investors in that debt continued receiving interest forever because the debt had no maturity date. When the UK wanted to wind up that debt, they had to go to the market and buy it at the London Stock Exchange. So, we did a very short-term bond of 10 years and, recently, a 30-year bond. This means that we still have the opportunity to do a 50-year bond, a 70-year bond and even a bond which will be repaid after 100 years. For us to have a dual carriageway road running from Mombasa to Nairobi, we can only do that through borrowing.

Hon. Temporary Deputy Speaker, you represent a constituency in Kibwezi. Shortly this year, the Government, through borrowing from American investors, will be building a superhighway from Mombasa all the way to Nairobi. This country will be doing a dual highway from Nairobi to Mau Summit this year, a distance of almost 220 km. We can only do it by going for a long-term debt, so that we can have quality infrastructure in this country.

I still want to comment further that this borrowing is not unique to Kenya alone. All the nations in the world are borrowing, whether internationally or even from their domestic markets. Our borrowing at the moment is slightly above 50 per cent of our GDP which is still very good and comparable to other countries. The borrowing of the United States of America is more than 100 per cent of their GDP. The borrowing in Japan equally is more than its GDP. Other countries, including the United Kingdom, take in massive borrowing, so that they can invest in infrastructure.

There is this topic of Eurobond. Some Members are telling us to show them the projects which will be financed by the Eurobond. For you to see that, you need to wait for the Budget Estimates to be tabled sometimes in April. You will see the projects that the Jubilee Government is anticipating to finance through our entire Budget. The Eurobond is a budgetary support. In this Financial Year 2018/2019, we have estimated our total expenditure, both Development and

Recurrent, to be a certain amount which is over Kshs2trillion. We also expect to collect an amount close to Kshs1.5 or 1.6trillion. Therefore, the difference between the taxes, fees and levies which we collect and the expected expenditure of Kshs2.2 trillion or Kshs2.3trillion can only be financed through debt.

It is the wisdom of the National Treasury because this Parliament gave them that mandate to decide how they raise that difference. They have the option of raising that entire difference using Treasury Bills or even issuing Treasury Bonds locally here in Kenya. However, they found it prudent for the sake of you and me who cannot borrow as individuals abroad. It is much easier for the Government to borrow abroad through what is popularly called the Eurobond to finance that particular deficit. That is good because we still want to access money from our local banks. Our local banks normally find it easy to lend money to the Government because it is risk-free and it will be paid on time. So, whenever we show the banks that the Government wants another Kshs800billion from them this year, they will definitely starve the local *mwananchi* and the medium-size enterprises in Kenya. They will not access any borrowing because all that money will end up in the National Treasury as Treasury Bonds and Bills.

The budget deficit at the moment is below 10 per cent. As a Committee, we have agreed with the National Treasury that the deficit has to be brought down to 6 per cent, hopefully by the end of this year. Going forward, we expect a deficit of not more than 6 per cent. The National Treasury is in agreement with us on that. They will work hard to make sure that the budget deficit comes down.

The role of this House in the entire matter of the budget-making is to ask ourselves whether we are properly playing our oversight role on the expenditure side. Are we interrogating Ministries when they spend this money?

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): I will add you one more minute, Vice-Chair.

Hon. Lessonet: We expect those who are in oversight committees and those who chair departmental committees to be up to the task in playing their oversight role. We are talking about money. The expenditure side is a real problem. We have talked about corruption in this country. What is our role as Parliament in checking corruption? What is our role in fast-tracking reports? We have been told that audit reports of the 2013/2014 and 2014/2015 financial years are ready. We should inform PAC and PIC that we need more up-to-date reports because that is where this Parliament should properly do its role.

With those remarks, I support the adoption of the Report.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Let us have the Member for Khwisero, Hon. Wangaya Asaka.

Hon. Wangaya: Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to contribute to this Motion.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): I am reminded that it is Aseka not Asaka.

Hon. Wangaya: It is Aseka. I agree with the Chairman of the BAC that the National Treasury tried within its powers to prepare a BPS, which to us, as a Committee, met about 80 per cent of the legal requirement. But as a House, we need to appreciate that we come from different political persuasions. At the end of the day, the national good comes first. Through the discussion in this House, we have realised that the big four agenda, as it is and as we see it being

a guiding principle in this BPS, will remain a pipe dream or a myth if the National Treasury, the Executive and line Ministries do not align their programmes with the budget provision.

As we were interrogating the BPS, we expected that when we talk about food security, it should align the strategies and tactics to be used in addressing food insecurity. For example, the BPS could have told Kenyans how many expanded irrigation schemes the Government will put in place. The BPS could have come up with a strategy in agriculture on how they will improve livestock production, which will in turn provide hides and skins for the manufacturing industry. Looking at the BPS, the Government is using the leather industry as a guiding principle.

Universal healthcare is a costly affair. The Government must provide funding or a provision within the Budget and the BPS to ensure that every Kenyan is covered under the universal healthcare. We also need to appreciate that this country is in debt to the tune of Kshs4.6 trillion today. It takes every one of us to agree on ways and means on how we can bring this debt down.

The Principal Secretary, National Treasury, alluded to it in the BAC. He said that the Kshs203 billion Eurobond will partly be used to pay the debt liability and partly for development programmes. What is a debt liability? It means Eurobond I, which was taken, was invested, but at the end of the day, the investment did not yield revenues that could have been used to address the deficit we have. So, it is up to all of us to appreciate the challenge that we have. As a Committee, we noted that.

In debt management strategy, we realised that the National Treasury is paying close to Kshs1.1 billion for loans it guaranteed parastatals that are unable to pay. It is my submission that the National Treasury guaranteed loans to parastatals like the Kenya Broadcasting Corporation, Tana River Development Authority and East African Portland Cement. They were guaranteed loans that they are now unable to pay and so the National Treasury has to pay. The National Treasury should be careful when guaranteeing loans.

I support the Executive and the National Treasury on the big four agenda. Before they bring the Appropriations Bill to this House, they should reorganise their Budget, so that it matches the objectives of the Government in the big four agenda.

I support. Thank you.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Members, there being no other requests, I, therefore, call upon the Mover to reply.

Hon. Ichung'wah: Thank you, Hon. Temporary Deputy Speaker. Indulge me to donate two minutes each to Hon. Savula and Hon. Janet Ong'era.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): They are on my request list.

Hon. Ichung'wah: They had problems with their cards.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Okay. The Chairman has donated two minutes each to Hon. Janet Ong'era and Hon. Savula.

Hon. Angatia: Thank you Hon. Temporary Deputy Speaker and thank you Chairman of the BAC for giving me the opportunity. First of all, I would like to congratulate my fellow Member of Parliament for Khwisero. It is very rare for Members of Parliament elected from Khwisero Constituency to contribute in this House. Last Session I never heard a contribution from our colleague.

Mine will be very brief because of the time factor. I support the BPS. We made a very big mistake to devolve the entire agriculture sector to the counties. Agriculture is the backbone of the economy of this country. We need to refocus on how we can revamp the agriculture sector in the

budget-making process. We should revise some areas which need national intervention in the health sector.

For the Jubilee Government to achieve its big four agenda, it must focus on agriculture first. Every county has to create a manufacturing plant to process agricultural produce. This will create value addition hence create employment among the youth who are idling in the villages.

It will also bring foreign exchange thus stabilising the economy. It is a shame for this country to suffer from hunger and drought every year yet we have indicated in our BPS that the backbone of our economy is agriculture.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Your two minutes are over. It is good to plan. Hon. Janet Ong'era, plan how to use your two minutes.

Hon. (Ms.) Ong'era: Thank you, Hon. Temporary Deputy Speaker for giving me this time. I also thank the Mover for donating two minutes to me. I rise to support the Report on the BPS. I would like to speak on only two issues. The first one is that having read this Report, I am hoping that more resources will be availed to the counties. Let me speak particularly on health matters. For a long time, women in the rural areas have been suffering, particularly in respect of issues of maternal healthcare like prenatal and antenatal care. I hope more resources will be availed for women this time round, so that no mother dies while giving birth. I am particularly concerned with the child mortality rate in Kenya. Instead of it going down, it is increasing. It behoves us in these modern times to ensure that we do not lose children. In future, we will have no population, if we do not intervene now.

The other issue relates to the Millennium Development Goals (MDGs), specifically access to clean water and sanitation. I hope the Jubilee Government will take up this matter and ensure that every Kenyan has water. In fact, it is now being said that if you do not invest in water in this century, many people will die. We know that there is a lot of water in Turkana County. Let the Jubilee Government invest in water and pump it to every county in Kenya.

I support.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Ichung'wah, you have your six minutes.

Hon. Ichung'wah: Thank you, Hon. Temporary Deputy Speaker. Let me take this opportunity to thank all the Members who have contributed to this Motion, more so the chairs of other committees who availed time to be with us this afternoon. A lot has been said, and as a Committee, we appreciate all the valuable contributions that have been made in relation to this Report.

In relation to some of the issues that Members have raised, it is good to note, and the Members who have gone through the Report will agree, that some of them are covered in our recommendations, for instance what Hon. Savula said about the role of agriculture and why we had to devolve the agriculture function. Indeed, we have proposed, and I mentioned it when I was moving the Motion, that we have a framework of collaboration between the national Government and county governments in terms of implementation of the big four agenda.

The other recommendation that the Committee made in regard to the devolved functions not just in agriculture, but also in healthcare is for the Government to make better use of conditional grants in implementation of the big four agenda.

We also recommended, in relation to the issues that many Members have raised about the level of the national debt, to make sure that the money that is borrowed goes towards development projects. We have recommended that given the concerns arising from the level of

this country's external debt, all projects earmarked for development through commercial borrowing should be captured in the final Budget for 2018/2019 to ensure transparency. In terms of execution of donor-funded projects, there is need to amend the Public Finance Management Act. It is a role of this House to ensure that it approves all projects financed through external borrowing. That will be a step in the right direction in terms of making sure that all such projects come to this House. I challenge the Chair of the Committee on Implementation to follow through with the recommendations of this House because true to what the Minority Whip said, you make Parliament become a talk shop when you just make recommendations and adopt them, but fail to follow through. Therefore, it is up to the Committee on Implementation to make sure that they follow through.

Issues have been raised on the realism of the macroeconomic framework. You have heard Members like Hon. Opiyo, the Minority Leader and many others talk about the realism of the projections of our economic growth based on the fact that our economy is agro-based. It is also good to note that as much as the Minority Leader said that this is critical for our growth, you will be shocked to learn what the documents he said we have not read talk about.

The documents talk about the average growth of 5.5 per cent from 2013 to 2017 per year *vis-a-vis* a 4.5 per cent growth in the years 2008 to 2012 and 5.2 per cent in the period between 2002 to 2007. It is good to temper that with realism and that is what a lot of Members have expressed concern about. If our economy is agri-based, then we either put agriculture right or tweak our economy not to depend so much on agriculture if it will remain to be rain-fed. We must, however, also appreciate the effort the Government has made. There are a lot of resources going into development of mega dams to make sure that we move away from rain-fed agriculture to irrigated agriculture amidst the problems we have with Galana Kulalu Project.

However, there is also a projection, and the National Treasury was very keen to articulate it, that we want to move our GDP contribution of the manufacturing sector to 15 per cent by 2022. That will in a big way change our economy because the manufacturing sector also has a potential to create employment, wealth and grow our economy.

With those very many remarks, let me mention something that the Leader of the Minority Party mentioned on borrowing alluding to the fact that Egypt is able to go for Eurobond at lower interest rates. Egypt is a country that has had its own problems. The tenure of the bond under which Egypt is borrowing is not the same as that of Kenya. If you are talking of a thirty-year bond, compare it to a thirty-year bond. It is not true that the entire bond was at 8.3 per cent. The ten-year bond and the 30-year bond had different rates. It is the same way the Egyptian bond would be cheaper or more expensive depending on the tenure and the risk by investors. It is worth noting that our bond was oversubscribed seven times amidst the protest that you saw even from the IMF.

We must also appreciate that, as a sovereign nation, Kenya has a right to go to the international market with or without the approval of the IMF. We know the Bretton Woods institutions have their own problems *vis-a-vis* the perceived move of the African countries towards the East. They feel slighted by the African countries that go to borrow money, especially the concessionary loans, from the East.

Without much ado, I beg to move and thank all the Members in the House for supporting this Motion.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you, Chairman for the reply. We also thank the Members who have been in the House and the chairpersons of the relevant committees who were part of the debate on the Report of the BAC on the BPS. It was a good debate.

I will defer the putting of the Question to a time that will be stated in the Order Paper. From the Speakers desk, allow me to thank you for the contributions. I would like to thank the Clerks-at-the-Table and the Members of the BAC for being with us.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Members, the time being 7.00 p.m., this House stands adjourned until tomorrow, Thursday, 1st March 2018 at 2.30 p.m.

The House rose at 7.00 p.m.