

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 6th June 2018

The House met at 9.30 a.m.

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

PRAYERS

PAPERS LAID

Hon. Deputy Speaker: Hon. Members, we do not have the required numbers. I therefore, order the Quorum Bell to be rung.

(Quorum Bell was rung)

Order Members. Now that we have quorum, business of the House can begin.

(Several Hon. Members coalesced around Hon. Ng'ongo)

Order Members, especially those coalescing around the Leader of the Minority Party.

PAPERS LAID

Hon. Deputy Speaker: Leader of the Majority Party.

Hon. A.B. Duale: Hon. Deputy Speaker, I beg to lay the following Papers on the Table of the House:

The Reports of the Auditor-General and Financial Statements in respect of the following institutions for the year ended 31st December 2017 and the certificates therein:

1. Consolidated Fund of Kenya.
2. Development Bank of Kenya.

The Reports of the Auditor-General and the Financial Statements in respect of the following institutions for the ended 30th June 2017 and the certificates therein:

1. National Hospital Insurance Fund.
2. The Insurance Regulatory Authority.
3. Registration of Certified Public Secretaries Board.
4. State Corporations Appeal Tribunal.
5. Subscription by the Kenya Government to International Organisations.
6. The Kenya Accountants and Secretaries National Examinations Board.
7. Intelligence Service Development Fund.
8. Kenya Nuclear Electricity Board.
9. Public Procurement Regulatory Authority.
10. State Department for Energy.

11. European Widows and Orphans Pensions Scheme Fund.
12. Confidential Expenditure at the National Intelligence Service.
13. The Statement of Outstanding Obligations Guaranteed by the Kenya Government.
14. The Provident Fund.
15. Asiatic Widows and Orphans Pensions Fund.

Reports of the Auditor-General and Financial Statements in respect of the following constituencies for the year ended 30th June 2016 and the certificates therein:

1. Sabatia Constituency.
2. Khwisero Constituency.
3. Nambale Constituency.
4. Starehe Constituency.

Hon. Deputy Speaker: Next Order. Leader of the Majority Party.

PROCEDURAL MOTION

EXEMPTION OF BUSINESS FROM PROVISIONS OF STANDING ORDER 40(3)

Hon. A.B. Duale: Hon. Deputy Speaker, I beg to move the following Procedural Motion:

THAT, this House orders that the business appearing as Order No.9 in the Order Paper be exempted from the provisions of Standing Order 40(3) being a Wednesday Morning, a day allocated for business not sponsored by the Majority or Minority Party or business sponsored by a Committee.

This is in line with the House Business Committee (HBC) meeting held last evening. I was not there, but I have read the minutes this morning. We have a time constraint on the budget-making process of the House between now and Thursday, 14th June 2018, when the Cabinet Secretary for the National Treasury is supposed to come to deliver his speech on taxation measures. He is expected to tell the country and the House how he is going to deal with the deficit in the Budget in line with the East Africa Community decision that all ministers in charge of finance in the region will read their budgets the same day. When the HBC looked at the time available and considering that Wednesday is a day set aside for Private Members' business, they were of the opinion that we ask our colleagues, Members, to allow us to start the debate on the Budget Estimates based on the Report tabled by the Chair of the Budget and Appropriations Committee, Hon. Kimani Ichung'wah.

Once the Chair of the Budget and Appropriations Committee moves the Estimates Report, the other departmental chairs in accordance with the Schedule in the Standing Order will also make presentations. So, the Chair of the Departmental Committee on Administration and National Security, the Chair of the Departmental Committee on Agriculture and Livestock, the Chair of the Committee on Communication, Information and Innovation, the Chair of the Committee on Defence and Foreign Relations and others in that order must all be ready to take the cue once one of their own has completed giving his or her views. It is just a Procedural Motion.

I ask Hon. John Mbadi, who was in the House Business Committee (HBC) to second.

Hon. Deputy Speaker: The Leader of the Minority Party.

Hon. Ng'ongo: Thank you, Hon. Deputy Speaker. It is true, as the Leader of the Majority Party said, that we sat last evening and agreed that we request the plenary to allow exemption of today's business from Standing Order 43 so that we can initiate discussions on the Budget

Estimates. We expect the Cabinet Secretary to appear on Thursday next week before Parliament and the people of Kenya to read the Budget highlights and revenue raising measures. Before that is done, we thought it would be decent if we agreed on the Expenditure Estimates because, if the Government has to spell out how to raise money, they must raise money to finance something. You cannot expect the CS to tell us that we will be raising Kshs2.5 trillion yet Parliament has not decided the amount of expenditure that should be incurred for the next financial year. Basically, that is why we felt that we should start this debate this morning and if possible finish it by tomorrow afternoon sitting.

Allow me just to say one more thing to prepare this House. I am sure the House is aware that we are likely to proceed on a short recess between 12th and 24th July and go for a long recess on 31st August. We want to use the limited time that we have between now and 31st August to finish issues of Budget Estimates. We have even created the Committee of Supplies and then we will have to deal with the Finance Bill. The Leader of the Majority Party is also aware that there is tax law that is coming which is supposed to be merged with the Finance Bill, so that there is no inconsistency. So, this House has a packed programme that the leadership may call upon Members to put in extra hours just to be able to discharge our major responsibility to this nation of Budget oversight.

Thank you. I second.

(Question proposed)

Hon. Members: Put the Question!

(Question put and agreed to)

Hon. Wakhungu: On a point of order, Hon. Deputy Speaker.

Hon. Deputy Speaker: What is the point of order? Who is out of order? I have just put the Question.

Hon. Wakhungu: Thank you, Hon. Deputy Speaker. My point of order is that our cards are not working. Yesterday, they were activated. They gave us the password and the cards worked briefly. Today, they are not working. Maybe you need to order the Director, ICT, to move with speed so that Members can contribute. I am not the only one. They are not working apart from those of Majority and the Minority leaders, and yourself.

Thank you

Hon. Deputy Speaker: That would obviously be very lucky for you if the working is specifically for the leadership because you are one of them. Most importantly, these are what we could call teething problems. I am not intending to make any orders, but obviously, it is being handled. Hon. Members, even when our cards are not working, there are ways to identify Members. But looking at the list here, I can see there are already 10 Members who have put their requests, which means there are quite a number of Members whose cards are working. There is a possibility that you, the Deputy Minority Whip, are not digital enough. I can see even the nominated Member 001 has a card working. We will somehow have some business transacted.

Let us proceed.

MOTIONS

THANKS FOR THE PRESIDENTIAL ADDRESS

THAT, pursuant to the provisions of Standing Order No.24(6), the thanks of this House be recorded for the exposition of public policy contained in the Address of His Excellency the President delivered in Parliament on Wednesday, 2nd May 2018 and further notes the following Reports submitted by the President in the fulfilment of the provisions of Articles 132(1)(c) and 240(7) of the Constitution, laid on the Table of the House on Thursday, 3rd May 2018:

(a) Report on the Measures Taken and Progress Achieved in the Realisation of National Values and Principles of Governance;

(b) Report on the Progress Made in Fulfilment of the International Obligations of the Republic; and,

(c) The Annual Report to Parliament on the State of National Security.

(Hon. A. B. Duale on 3.5.2018)

(Resumption of Debate interrupted on 5.6.2018)

Hon. A.B. Duale: Thank you, Hon. Deputy Speaker. First, I want to thank my colleagues. Over 78 Members of the National Assembly have contributed to the President's Speech. I am sure in their wisdom they have hailed the President's Address.

In summary, the President's Speech had serious hallmarks that you can pick. One of them is that we must forgive each other. The Leader of the Opposition and the President together with their two running mates in the last general election have set the pace by asking for forgiveness on our behalf. I am sure as leaders who represent the people of Kenya at the constituency, we need to take that gesture of peace and reconciliation among our people down to the people.

Second and most importantly, I am sure we are aware that the President has set the pace again in the war against corruption. As a budget-making House and a House that has an oversight role as per the Constitution, it must be at the forefront in protecting public resources. The people who elected us to this House have given us the powers to legislate, represent and above all, the powers to oversee the Budget that we make. I urge the departmental committees that today, they will make their presentations to the House and will oversee the billions that will be allocated to various departments and represent all of us at the committee level to make sure that every penny that this House will appropriate in the next seven days is not wasted or corruptly acquired. We have a single moral authority to make sure that we, the representatives of our citizens, are at the forefront to protect the taxpayers' money.

The other key issue is that all of us must be together regardless of our party affiliation, the religion we profess, the counties and the communities we come from. We must be at the forefront as ambassadors of peace, unity and reconciliation. Kenya is bigger than all of us put together. There have been serious issues with the political class. We have been accused by many in many quarters as a people who use politics to divide our people along ethnic and regional lines. I am sure time has come for the country called Kenya and the people of Kenya are more important than all of us.

Finally, I really want to ask Hon. Wandayi, the Chairman of Public Accounts Committee (PAC) and Hon. Abdullswamad, the Chairman of Public Investments Committee (PIC) and his Committee members to make sure they burn the midnight oil to make sure the PAC regains its

lost glory. The PAC of the last Parliament had issues. In fact, I saw in the newspapers yesterday that, in the files submitted to the Director of Public Prosecutions (DPP), there are Governors and Members of Parliament. I was, for the last two days, trying to find out whether my Members are in that list. I pray that it is not the PAC of the last Parliament. The PACs, world over, are known for upholding integrity. It is bad the moment the hunter's integrity is questioned. The same goes for those institutions that the Constitution has created to fight corruption like Office of the Director of Public Prosecutions, the Ethics and Anti-Corruption Commission (EACC), Office of the Auditor-General, the Directorate of Criminal Investigation (DCI), the Inspector-General of Police and Office of the Controller of Budget. They must, like Parliament, uphold the highest levels of integrity. They must work together, in unison, to fight corruption.

With those many remarks, I thank Members of the National Assembly and the over 78 Members who contributed. I am sure many others wanted to contribute. I thank them for contributing immensely and enriching the speech of the President. I beg to move.

Hon. Deputy Speaker: Very well. Having confirmed that we have the required numbers, I will put the Question.

(Question put and agreed to)

REPORT OF THE BUDGET AND APPROPRIATIONS
COMMITTEE ON BUDGET ESTIMATES FOR 2018/2019

THAT, this House adopts the Report of the Budget and Appropriations Committee on the Budget Estimates for the National Government, the Judiciary and Parliament for the Financial Year 2018/2019, laid on the Table of the House on Tuesday, 5TH June, 2018 and pursuant to the provisions of Article 221(3) of the Constitution of Kenya, section 39 of the Public Finance Management Act, 2012, and Standing Orders 235 and 239, approves the issuance of a sum of Kshs1,742,291,667,908 from the Consolidated Fund to meet the expenditure during the year ending 30th June 2019 in respect of the Votes and programmes as contained in the Schedule.

SCHEDULE: ANNUAL ESTIMATES FOR FY 2018/19 (IN KSHS)						
SUBMITTED ESTIMATES FOR FY 2018/19				BAC RECOMMENDED ESTIMATES FOR FY 2018/19		
VOTE, PROGRAMME CODES & TITLE	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES
1011 The Presidency	7,673,262,253	1,108,830,000	8,782,092,253	7,673,262,253	1,108,830,000	8,782,092,253
0702000 Cabinet Affairs	1,395,913,982	714,200,000	2,110,113,982	1,395,913,982	714,200,000	2,110,113,982

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0703000 Government Advisory Services	845,980,649	0	845,980,649	845,980,649	0	845,980,649
0704000 State House Affairs	3,215,934,363	305,030,000	3,520,964,363	3,215,934,363	305,030,000	3,520,964,363
0734000 Deputy President Services	2,215,433,259	89,600,000	2,305,033,259	2,215,433,259	89,600,000	2,305,033,259
1021 State Department for Interior	109,356,595,943	15,538,702,000	124,895,297,943	109,056,595,943	15,538,702,000	124,595,297,943
0601000 Policing Services	85,224,937,594	9,852,105,003	95,077,042,597	85,524,937,594	9,882,105,003	95,407,042,597
0602000 Planning, Policy Coordination and Support Service	18,825,072,135	4,466,596,997	23,291,669,132	18,225,072,135	4,436,596,997	22,661,669,132
0603000 Government Printing Services	720,390,037	150,000,000	870,390,037	720,390,037	150,000,000	870,390,037
0605000 Population Management Services	4,586,196,177	1,070,000,000	5,656,196,177	4,586,196,177	1,070,000,000	5,656,196,177
1023 State Department for Correctional Services	26,065,711,187	1,812,600,000	27,878,311,187	26,265,711,187	1,812,600,000	28,078,311,187
0602000 Planning, Policy Coordination and Support Services	240,338,058	0	240,338,058	440,338,058	0	440,338,058
0624000 Betting Control, Licensing and Regulation Services	116,660,845	0	116,660,845	116,660,845	0	116,660,845
0604000 Correctional Services	25,250,839,234	1,749,400,000	27,000,239,234	25,250,839,234	1,749,400,000	27,000,239,234

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0623000 General Administration, Planning and Support Services	457,873,050	63,200,000	521,073,050	457,873,050	63,200,000	521,073,050
1024 State Department for Immigration and Citizen Services	1,884,968,823	2,690,300,000	4,575,268,823	1,884,968,823	2,690,300,000	4,575,268,823
0605000 Population Management Services	1,884,968,823	2,690,300,000	4,575,268,823	1,884,968,823	2,690,300,000	4,575,268,823
1032 State Department for Devolution	2,883,499,310	9,637,920,000	12,521,419,310	2,883,499,310	9,137,920,000	12,021,419,310
0712000 Devolution Services	835,689,251	1,027,970,000	1,863,659,251	835,689,251	1,027,970,000	1,863,659,251
0732000 General Administration, Planning and Support Services	342,035,707	1,173,000,000	1,515,035,707	342,035,707	1,173,000,000	1,515,035,707
0713000 Special Initiatives	50,388,068	0	50,388,068	50,388,068	0	50,388,068
1013000 Integrated Regional Development	1,655,386,284	7,436,950,000	9,092,336,284	1,655,386,284	6,936,950,000	8,592,336,284
1035 State Department for Development of the ASAL	1,034,530,922	5,358,000,000	6,392,530,922	1,034,530,922	5,358,000,000	6,392,530,922
0733000 Accelerated ASAL Development	1,034,530,922	5,358,000,000	6,392,530,922	1,034,530,922	5,358,000,000	6,392,530,922
1041 Ministry of Defence	96,079,397,700	10,974,349,680	107,053,747,380	96,079,397,700	14,974,349,680	111,053,747,380
0801000 Defence	94,378,000,000	10,974,349,680	105,352,349,680	94,378,000,000	14,974,349,680	109,352,349,680
0802000 Civil Aid	200,000,000	0	200,000,000	200,000,000	0	200,000,000

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0803000 General Administration, Planning and Support Services	1,301,397,700	0	1,301,397,700	1,301,397,700	0	1,301,397,700
0805000000 National Space Management	200,000,000	0	200,000,000	200,000,000	0	200,000,000
1052 Ministry of Foreign Affairs	15,170,174,901	1,937,740,000	17,107,914,901	15,170,174,901	1,937,740,000	17,107,914,901
0714000 General Administration Planning and Support Services	1,419,957,544	93,000,000	1,512,957,544	1,419,957,544	93,000,000	1,512,957,544
0715000 Foreign Relation and Diplomacy	13,537,881,040	1,644,740,000	15,182,621,040	13,537,881,040	1,644,740,000	15,182,621,040
0741000 Economic and Commercial Diplomacy	81,941,701	0	81,941,701	81,941,701	0	81,941,701
0742000 Foreign Policy Research, Capacity Development and Technical Cooperation	130,394,616	200,000,000	330,394,616	130,394,616	200,000,000	330,394,616
1064 State Department for Vocational and Technical Training	2,587,094,377	7,728,000,000	10,315,094,377	2,672,156,413	7,728,000,000	10,400,156,413
0505000 Technical Vocational Education and Training	2,351,842,753	5,728,000,000	8,079,842,753	2,446,199,631	5,728,000,000	8,174,199,631
0507000 Youth Training and Development	53,235,939	2,000,000,000	2,053,235,939	51,738,816	2,000,000,000	2,051,738,816

0508000 General Administration, Planning and Support Services	182,015,685	0	182,015,685	174,217,966	0	174,217,966
1066 State Department for Early Learning & Basic Education	88,504,860,854	11,178,830,978	99,683,691,832	88,511,455,306	10,418,830,978	98,930,286,284
0501000 Primary Education	16,633,329,299	4,300,363,125	20,933,692,424	16,619,546,847	4,100,363,125	20,719,909,972
0502000 Secondary Education	63,336,391,097	6,478,917,853	69,815,308,950	63,323,266,650	5,918,917,853	69,242,184,503
0503000 Quality Assurance and Standards	3,964,313,900	257,000,000	4,221,313,900	3,962,842,007	257,000,000	4,219,842,007
0508000 General Administration, Planning and Support Services	4,570,826,558	142,550,000	4,713,376,558	4,605,799,802	142,550,000	4,748,349,802
1067 State Department for Research & University Education	87,301,678,500	13,038,000,000	100,339,678,500	87,950,793,769	12,938,000,000	100,888,793,769
0504000 University Education	84,734,187,584	12,740,500,000	97,474,687,584	85,406,547,019	12,740,500,000	98,147,047,019
0506000 Research, Science, Technology and Innovation	2,297,944,858	297,500,000	2,595,444,858	2,291,209,767	197,500,000	2,488,709,767
0508000 General Administration, Planning and Support Services	269,546,058	0	269,546,058	253,036,983	0	253,036,983
1068 State Department for Post Training and Skills Development	887,818,000	1,039,480,000	1,927,298,000	885,693,000	1,039,480,000	1,925,173,000

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0502000 Secondary Education	92,000,000	0	92,000,000	92,000,000	0	92,000,000
0508000 General Administration, Planning and Support Services	47,580,000	0	47,580,000	45,455,000	0	45,455,000
0907000 Manpower Development, Employment and Productivity Management	748,238,000	1,039,480,000	1,787,718,000	748,238,000	1,039,480,000	1,787,718,000
1071 The National Treasury	74,295,400,000	37,377,476,758	111,672,876,758	68,755,400,000	38,577,476,758	107,332,876,758
0717000 General Administration Planning and Support Services	68,530,860,023	3,445,936,355	71,976,796,378	62,690,860,023	3,445,936,355	66,136,796,378
0718000 Public Financial Management	4,317,329,124	33,010,758,552	37,328,087,676	4,617,329,124	34,210,758,552	38,828,087,676
0719000 Economic and Financial Policy Formulation and Management	1,032,635,480	865,781,851	1,898,417,331	1,032,635,480	865,781,851	1,898,417,331
0720000 Market Competition	339,000,000	55,000,000	394,000,000	339,000,000	55,000,000	394,000,000
0740000 Government Clearing Services	75,575,373	0	75,575,373	75,575,373	0	75,575,373
1072 State Department for Planning	9,363,400,002	34,061,020,000	43,424,420,002	11,163,400,002	38,361,020,000	49,524,420,002
0706000 Economic Policy and National Planning	1,297,897,835	32,515,546,400	33,813,444,235	1,297,897,835	36,815,546,400	38,113,444,235
0707000 National Statistical Information Services	7,540,568,288	1,434,500,000	8,975,068,288	9,340,568,288	1,434,500,000	10,775,068,288

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0708000 Monitoring and Evaluation Services	123,617,272	110,973,600	234,590,872	123,617,272	110,973,600	234,590,872
0709000 General Administration Planning and Support Services	401,316,607	0	401,316,607	401,316,607	0	401,316,607
1081 Ministry of Health	49,100,820,808	40,906,449,648	90,007,270,456	49,100,820,808	40,906,449,648	90,007,270,456
0401000 Preventive, Promotive & RMNCAH	1,686,224,200	8,270,164,143	9,956,388,343	1,686,224,200	8,270,164,143	9,956,388,343
0402000 National Referral & Specialised Services	22,694,658,104	17,510,301,335	40,204,959,439	22,694,658,104	17,510,301,335	40,204,959,439
0403000 Health Research and Development	6,470,337,792	426,400,000	6,896,737,792	6,470,337,792	746,400,000	7,216,737,792
0404000 General Administration, Planning & Support Services	6,890,519,328	2,220,000,000	9,110,519,328	6,890,519,328	1,900,000,000	8,790,519,328
0405000 Health Policy, Standards and Regulations	11,359,081,384	12,479,584,170	23,838,665,554	11,359,081,384	12,479,584,170	23,838,665,554
1091 State Department of Infrastructure	58,364,000,000	112,985,380,000	171,349,380,000	58,364,000,000	121,685,380,000	180,049,380,000
0202000 Road Transport	58,364,000,000	112,985,380,000	171,349,380,000	58,364,000,000	121,685,380,000	180,049,380,000
1092 State Department of Transport	10,324,195,400	90,424,591,835	100,748,787,235	10,324,195,400	90,424,591,835	100,748,787,235
0201000 General Administration, Planning and Support Services	306,655,953	1,108,000,000	1,414,655,953	306,655,953	1,108,000,000	1,414,655,953

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0203000 Rail Transport	0	74,755,591,835	74,755,591,835	0	74,755,591,835	74,755,591,835
0204000 Marine Transport	815,168,490	12,226,000,000	13,041,168,490	815,168,490	12,226,000,000	13,041,168,490
0205000 Air Transport	7,245,422,571	2,035,000,000	9,280,422,571	7,245,422,571	2,035,000,000	9,280,422,571
0216000 Road Safety	1,956,948,386	300,000,000	2,256,948,386	1,956,948,386	300,000,000	2,256,948,386
1093 State Department for Maritime Affairs	1,668,659,873	0	1,668,659,873	1,668,659,873	0	1,668,659,873
0220000 Shipping and Maritime Affairs	1,668,659,873	0	1,668,659,873	1,668,659,873	0	1,668,659,873
1096 State Department for Housing, Urban Development and Public Works	3,122,021,961	29,101,373,965	32,223,395,926	3,122,021,961	29,101,373,965	32,223,395,926
0102000 Housing Development and Human Settlement	478,575,197	7,571,000,000	8,049,575,197	478,575,197	7,571,000,000	8,049,575,197
0103000 Government Buildings	468,121,832	1,564,200,000	2,032,321,832	468,121,832	1,564,200,000	2,032,321,832
0104000 Coastline Infrastructure and Pedestrian Access	104,604,734	339,200,000	443,804,734	104,604,734	339,200,000	443,804,734
0105000 Urban and Metropolitan Development	196,588,840	19,435,373,965	19,631,962,805	196,588,840	19,435,373,965	19,631,962,805
0106000 General Administration Planning and Support Services	611,550,789	55,600,000	667,150,789	611,550,789	55,600,000	667,150,789
0218000 Regulation and Development of the Construction Industry	1,262,580,569	136,000,000	1,398,580,569	1,262,580,569	136,000,000	1,398,580,569

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1107 Ministry of Water Services and Sanitation	4,048,224,948	37,207,390,000	41,255,614,948	4,048,224,948	38,097,390,000	42,145,614,948
1001000 General Administration, Planning and Support Services	374,907,966	0	374,907,966	374,907,966	0	374,907,966
1004000 Water Resources Management	1,221,118,271	5,986,000,000	7,207,118,271	1,221,118,271	5,786,000,000	7,007,118,271
1017000 Water and Sewerage Infrastructure Development	2,452,198,711	31,221,390,000	33,673,588,711	2,452,198,711	32,311,390,000	34,763,588,711
1108 Ministry of Environment and Forestry	9,964,390,329	6,169,000,000	16,133,390,329	9,964,390,329	6,169,000,000	16,133,390,329
1002000 Environment Management and Protection	1,483,570,436	1,374,700,000	2,858,270,436	1,483,570,436	1,624,700,000	3,108,270,436
1010000 General Administration, Planning and Support Services	321,819,569	0	321,819,569	321,819,569	0	321,819,569
1012000 Meteorological Services	1,074,121,134	1,082,300,000	2,156,421,134	1,074,121,134	1,082,300,000	2,156,421,134
1018000 Forests and Water Towers Conservation	7,084,879,190	3,712,000,000	10,796,879,190	7,084,879,190	3,462,000,000	10,546,879,190
1112 Ministry of Lands and Physical Planning	2,690,474,000	3,330,000,000	6,020,474,000	2,690,474,000	3,345,214,997	6,035,688,997
0101000 Land Policy and Planning	2,690,474,000	3,330,000,000	6,020,474,000	2,690,474,000	3,345,214,997	6,035,688,997
1121 Ministry of Information Communications and Technology	4,854,383,839	27,046,614,114	31,900,997,953	4,854,383,839	27,646,614,114	32,500,997,953

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0207000 General Administration Planning and Support Services	443,371,980	0	443,371,980	443,371,980	0	443,371,980
0208000 Information And Communication Services	2,579,613,956	438,000,000	3,017,613,956	2,679,613,956	438,000,000	3,117,613,956
0209000 Mass Media Skills Development	207,450,000	250,000,000	457,450,000	207,450,000	250,000,000	457,450,000
0210000 ICT Infrastructure Development	279,100,085	23,798,000,000	24,077,100,085	379,100,085	24,398,000,000	24,777,100,085
0217000 E-Government Services	1,344,847,818	2,560,614,114	3,905,461,932	1,144,847,818	2,560,614,114	3,705,461,932
1132 State Department for Sports Development	1,502,040,337	525,000,000	2,027,040,337	1,502,040,337	675,000,000	2,177,040,337
0901000 Sports	1,502,040,337	525,000,000	2,027,040,337	1,502,040,337	675,000,000	2,177,040,337
1134 State Department for Heritage	3,057,463,521	841,600,000	3,899,063,521	3,057,463,521	881,600,000	3,939,063,521
0902000 Culture/Heritage	1,408,391,017	466,600,000	1,874,991,017	1,408,391,017	506,600,000	1,914,991,017
0903000 The Arts	774,902,980	75,000,000	849,902,980	774,902,980	75,000,000	849,902,980
0904000 Library Services	687,938,467	300,000,000	987,938,467	687,938,467	300,000,000	987,938,467
0905000 General Administration, Planning and Support Services	186,231,057	0	186,231,057	186,231,057	0	186,231,057
1152 State Department for Energy	2,188,000,000	59,886,827,489	62,074,827,489	2,188,000,000	65,886,827,489	68,074,827,489
0211000 General Administration Planning and Support Services	343,561,150	128,885,000	472,446,150	343,561,150	128,885,000	472,446,150
0212000 Power Generation	906,031,734	12,265,769,777	13,171,801,511	906,031,734	12,265,769,777	13,171,801,511

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0213000 Power Transmission and Distribution	788,944,920	46,284,172,712	47,073,117,632	788,944,920	52,284,172,712	53,073,117,632
0214000 Alternative Energy Technologies	149,462,196	1,208,000,000	1,357,462,196	149,462,196	1,208,000,000	1,357,462,196
1162 State Department for Livestock.	1,961,791,619	4,296,740,920	6,258,532,539	1,976,791,619	4,281,740,920	6,258,532,539
0112000 Livestock Resources Management and Development	1,961,791,619	4,296,740,920	6,258,532,539	1,976,791,619	4,281,740,920	6,258,532,539
1165 State Department for Crop Development	5,038,331,056	20,215,429,236	25,253,760,292	5,038,331,056	20,215,429,236	25,253,760,292
0107000 General Administration Planning and Support Services	2,501,568,169	194,000,000	2,695,568,169	2,501,568,169	194,000,000	2,695,568,169
0108000 Crop Development and Management	2,378,878,344	18,562,095,006	20,940,973,350	2,378,878,344	18,562,095,006	20,940,973,350
0109000 Agribusiness and Information Management	157,884,543	1,459,334,230	1,617,218,773	157,884,543	1,459,334,230	1,617,218,773
1164 State Department for Fisheries Aquaculture & the Blue Economy	607,161,651	2,184,000,000	2,791,161,651	607,161,651	2,184,000,000	2,791,161,651
0111000 Fisheries Development and Management	302,276,282	1,174,000,000	1,476,276,282	302,276,282	1,174,000,000	1,476,276,282

0117000 General Administration, Planning and Support Services	163,006,252	0	163,006,252	163,006,252	0	163,006,252
0118000 Development and Coordination of the Blue Economy	141,879,117	1,010,000,000	1,151,879,117	141,879,117	1,010,000,000	1,151,879,117
1167 State Department for Irrigation	918,128,745	17,058,000,000	17,976,128,745	918,128,745	17,058,000,000	17,976,128,745
1014000 Irrigation and Land Reclamation	766,176,225	6,664,000,000	7,430,176,225	766,176,225	6,664,000,000	7,430,176,225
1015000 Water Storage and Flood Control	45,000,000	10,394,000,000	10,439,000,000	45,000,000	10,394,000,000	10,439,000,000
1016000 General Administration, Planning and Support Services	106,952,520	0	106,952,520	106,952,520	0	106,952,520
1168 State Department for Agricultural Research	5,085,872,824	475,899,330	5,561,772,154	5,085,872,824	475,899,330	5,561,772,154
0120000 Agricultural Research & Development	5,085,872,824	475,899,330	5,561,772,154	5,085,872,824	475,899,330	5,561,772,154
1173 State Department for Cooperatives	500,599,580	870,000,000	1,370,599,580	530,599,580	840,000,000	1,370,599,580
0304000 Cooperative Development and Management	500,599,580	870,000,000	1,370,599,580	530,599,580	840,000,000	1,370,599,580
1175 State Department for Industry	2,618,101,543	7,738,000,000	10,356,101,543	2,618,101,543	4,298,000,000	6,916,101,543

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0301000 General Administration Planning and Support Services	445,487,863	180,000,000	625,487,863	445,487,863	180,000,000	625,487,863
0302000 Industrial Development and Investments	1,069,179,280	5,094,000,000	6,163,179,280	1,069,179,280	2,954,000,000	4,023,179,280
0303000 Standards and Business Incubation	1,103,434,400	2,464,000,000	3,567,434,400	1,103,434,400	1,164,000,000	2,267,434,400
1176 State Department for Small and Medium Enterprises	1,712,381,914	1,012,000,000	2,724,381,914	1,712,381,914	312,000,000	2,024,381,914
0302000 Industrial Development and Investments	5,233,055	0	5,233,055	5,233,055	0	5,233,055
0303000 Standards and Business Incubation	110,244,400	700,000,000	810,244,400	110,244,400	0	110,244,400
0307000 Trade Development and Promotion	1,596,904,459	312,000,000	1,908,904,459	1,596,904,459	312,000,000	1,908,904,459
1184 State Department for Labour	1,778,921,574	509,920,000	2,288,841,574	1,788,921,574	509,920,000	2,298,841,574
0910000 General Administration Planning and Support Services	667,037,072	0	667,037,072	677,037,072	0	677,037,072
0906000 Promotion of the Best Labour Practice	684,397,387	150,900,000	835,297,387	684,397,387	150,900,000	835,297,387
0907000 Manpower Development, Employment and Productivity Management	427,487,115	359,020,000	786,507,115	427,487,115	359,020,000	786,507,115

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1185 State Department for Social Protection	18,711,704,440	12,291,090,000	31,002,794,440	18,811,704,440	12,491,090,000	31,302,794,440
0908000 Social Development and Children Services	3,271,665,992	1,002,190,000	4,273,855,992	3,271,665,992	1,202,190,000	4,473,855,992
0909000 National Social Safety Net	15,142,401,487	11,288,900,000	26,431,301,487	15,242,401,487	11,288,900,000	26,531,301,487
0914000 General Administration, Planning and Support Services	297,636,961	0	297,636,961	297,636,961	0	297,636,961
1192 State Department for Mining	1,103,684,125	509,000,000	1,612,684,125	1,103,684,125	509,000,000	1,612,684,125
1007000 General Administration Planning and Support Services	706,022,974	25,000,000	731,022,974	706,022,974	25,000,000	731,022,974
1008000 Resources Surveys and Remote Sensing	132,467,430	184,000,000	316,467,430	132,467,430	184,000,000	316,467,430
1009000 Mineral Resources Management	265,193,721	300,000,000	565,193,721	265,193,721	300,000,000	565,193,721
1193 State Department for Petroleum	271,500,000	3,258,500,000	3,530,000,000	271,500,000	4,758,500,000	5,030,000,000
0215000 Exploration and Distribution of Oil and Gas	271,500,000	3,258,500,000	3,530,000,000	271,500,000	4,758,500,000	5,030,000,000
1204 Ministry of Tourism and Wildlife	9,204,210,198	3,745,516,000	12,949,726,198	8,778,210,198	4,171,516,000	12,949,726,198
0306000 Tourism Development and Promotion	142,140,000	0	142,140,000	-283,860,000	426,000,000	142,140,000

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0307000 Trade Development and Promotion	2,667,987,235	2,620,000,000	5,287,987,235	2,667,987,235	2,620,000,000	5,287,987,235
1019000 Wildlife Conservation and Management	6,394,082,963	1,125,516,000	7,519,598,963	6,394,082,963	1,125,516,000	7,519,598,963
1211 State Department for Public Service and Youth	13,442,533,200	12,318,334,400	25,760,867,600	13,442,533,200	4,068,334,400	17,510,867,600
0710000 Public Service Transformation	1,850,923,776	1,398,404,400	3,249,328,176	1,850,923,776	1,398,404,400	3,249,328,176
0709000 General Administration Planning and Support Services	4,149,188,773	0	4,149,188,773	4,149,188,773	0	4,149,188,773
0711000 Youth Empowerment	7,442,420,651	10,919,930,000	18,362,350,651	7,442,420,651	2,669,930,000	10,112,350,651
1212 State Department for Gender	1,557,079,282	2,968,000,000	4,525,079,282	1,557,079,282	3,113,000,000	4,670,079,282
0911000 Community Development	0	2,230,000,000	2,230,000,000	0	2,375,000,000	2,375,000,000
0912000 Gender Empowerment	1,293,744,564	738,000,000	2,031,744,564	1,293,744,564	738,000,000	2,031,744,564
0913000 General Administration, Planning and Support Services	263,334,718	0	263,334,718	263,334,718	0	263,334,718
1221 Ministry of East African Community & Northern Corridor Development	1,026,757,114	65,000,000	1,091,757,114	1,026,757,114	65,000,000	1,091,757,114
0305000 East African Affairs and Regional Integration	1,026,757,114	65,000,000	1,091,757,114	1,026,757,114	65,000,000	1,091,757,114

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1251 Office of the Attorney General and Department of Justice	4,028,129,000	1,614,000,000	5,642,129,000	4,040,129,000	1,114,000,000	5,154,129,000
0606000 Legal Services	1,812,377,536	0	1,812,377,536	1,812,377,536	0	1,812,377,536
0607000 Governance, Legal Training and Constitutional Affairs	1,570,903,629	1,548,000,000	3,118,903,629	1,582,903,629	1,048,000,000	2,630,903,629
0609000 General Administration, Planning and Support Services	644,847,835	66,000,000	710,847,835	644,847,835	66,000,000	710,847,835
1261 The Judiciary	13,255,000,000	4,049,000,000	17,304,000,000	13,255,000,000	1,549,000,000	14,804,000,000
0610000 Dispensation of Justice	13,255,000,000	4,049,000,000	17,304,000,000	13,255,000,000	1,549,000,000	14,804,000,000
1271 Ethics and Anti-Corruption Commission	2,751,540,000	100,000,000	2,851,540,000	2,801,540,000	125,000,000	2,926,540,000
0611000 Ethics and Anti-Corruption	2,751,540,000	100,000,000	2,851,540,000	2,801,540,000	125,000,000	2,926,540,000
1281 National Intelligence Service	30,711,000,000	0	30,711,000,000	31,211,000,000	0	31,211,000,000
0804000 National Security Intelligence	30,711,000,000	0	30,711,000,000	31,211,000,000	0	31,211,000,000
1291 Office of the Director of Public Prosecutions	2,312,276,000	100,000,000	2,412,276,000	2,812,276,000	100,000,000	2,912,276,000
0612000 Public Prosecution Services	2,312,276,000	100,000,000	2,412,276,000	2,812,276,000	100,000,000	2,912,276,000
1311 Office of the Registrar of Political Parties	822,232,095	0	822,232,095	822,232,095	0	822,232,095

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0614000 Registration, Regulation and Funding of Political Parties	822,232,095	0	822,232,095	822,232,095	0	822,232,095
1321 Witness Protection Agency	437,686,280	0	437,686,280	483,086,280	0	483,086,280
0615000 Witness Protection	437,686,280	0	437,686,280	483,086,280	0	483,086,280
2011 Kenya National Commission on Human Rights	391,843,114	0	391,843,114	395,443,114	0	395,443,114
0616000 Protection and Promotion of Human Rights	391,843,114	0	391,843,114	395,443,114	0	395,443,114
2021 National Land Commission	1,275,666,510	0	1,275,666,510	1,260,451,513	0	1,260,451,513
0113000 Land Administration and Management	1,275,666,510	0	1,275,666,510	1,260,451,513	0	1,260,451,513
2031 Independent Electoral and Boundaries Commission	4,190,624,477	43,000,000	4,233,624,477	4,190,624,477	43,000,000	4,233,624,477
0617000 Management of Electoral Processes	3,780,167,627	43,000,000	3,823,167,627	3,780,167,627	43,000,000	3,823,167,627
0618000 Delimitation of Electoral Boundaries	410,456,850	0	410,456,850	410,456,850	0	410,456,850
2041 Parliamentary Service Commission	15,900,000,000	3,200,000,000	19,100,000,000	12,464,000,000	3,200,000,000	15,664,000,000
0722000 Senate Affairs	8,900,000,000	0	8,900,000,000	6,414,000,000	0	6,414,000,000

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0723000 General Administration, Planning and Support Services	7,000,000,000	3,200,000,000	10,200,000,000	6,050,000,000	3,200,000,000	9,250,000,000
2042 National Assembly	23,400,000,000	0	23,400,000,000	21,915,000,000	0	21,915,000,000
0721000 National Legislation, Representation and Oversight	23,400,000,000	0	23,400,000,000	21,915,000,000	0	21,915,000,000
2051 Judicial Service Commission	464,000,000	0	464,000,000	364,000,000	0	364,000,000
0619000 General Administration, Planning and Support Services	464,000,000	0	464,000,000	364,000,000	0	364,000,000
2061 The Commission on Revenue Allocation	422,556,341	0	422,556,341	434,556,341	0	434,556,341
0724000 Inter-Governmental Revenue and Financial Matters	422,556,341	0	422,556,341	434,556,341	0	434,556,341
2071 Public Service Commission	1,160,220,000	59,290,000	1,219,510,000	1,160,220,000	59,290,000	1,219,510,000
0725000 General Administration, Planning and Support Services	806,395,296	59,290,000	865,685,296	806,395,296	59,290,000	865,685,296
0726000 Human Resource management and Development	202,088,409	0	202,088,409	202,088,409	0	202,088,409
0727000 Governance and National Values	151,736,295	0	151,736,295	151,736,295	0	151,736,295

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2081 Salaries and Remuneration Commission	542,170,000	0	542,170,000	564,170,000	0	564,170,000
0728000 Salaries and Remuneration Management	542,170,000	0	542,170,000	564,170,000	0	564,170,000
2091 Teachers Service Commission	226,629,400,000	136,000,000	226,765,400,000	226,750,753,422	136,000,000	226,886,753,422
0509000 Teacher Resource Management	219,716,477,896	0	219,716,477,896	219,710,977,896	0	219,710,977,896
0510000 Governance and Standards	38,400,000	0	38,400,000	30,650,000	0	30,650,000
0511000 General Administration, Planning and Support Services	6,874,522,104	136,000,000	7,010,522,104	7,009,125,526	136,000,000	7,145,125,526
2101 National Police Service Commission	530,556,818	0	530,556,818	630,556,818	0	630,556,818
0620000 National Police Service Human Resource Management	530,556,818	0	530,556,818	630,556,818	0	630,556,818
2111 Auditor General	4,936,687,300	232,230,000	5,168,917,300	5,486,687,300	682,230,000	6,168,917,300
0729000 Audit Services	4,936,687,300	232,230,000	5,168,917,300	5,486,687,300	682,230,000	6,168,917,300
2121 Controller of Budget	618,470,000	0	618,470,000	618,470,000	0	618,470,000
0730000 Control and Management of Public finances	618,470,000	0	618,470,000	618,470,000	0	618,470,000
2131 The Commission on Administrative Justice	484,389,200	0	484,389,200	499,389,200	0	499,389,200

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0731000 Promotion of Administrative Justice	484,389,200	0	484,389,200	499,389,200	0	499,389,200
2141 National Gender and Equality Commission	374,965,388	0	374,965,388	374,965,388	0	374,965,388
0621000 Promotion of Gender Equality and Freedom from Discrimination	374,965,388	0	374,965,388	374,965,388	0	374,965,388
2151 Independent Policing Oversight Authority	817,002,200	0	817,002,200	817,002,200	0	817,002,200
0622000 Policing Oversight Services	817,002,200	0	817,002,200	817,002,200	0	817,002,200
Total in Kshs.	1,075,968,241,376	660,954,426,353	1,736,922,667,729	1,069,491,026,558	672,800,641,350	<u>1,742,291,667,908</u>

Hon. Deputy Speaker: Very well. Chairman of the Budget and Appropriations Committee, why is it that you requested that you want to contribute from the Dispatch Box? Or you want to have the sense of power? Okay, you have that power.

(Laughter)

(Hon. Ichung'wah moved to the Dispatch Box)

Hon. Ichung'wah: Thank you, Hon. Deputy Speaker. I asked to do this because of space.

On behalf of members of the BAC and as required by Article 221 of the Constitution as well as Section 39(2) of the Public Finance Management Act and Standing Order 235(5), it is my pleasure to present to this House the Committee's Report on the Estimates of the revenue and expenditure for the Financial Year 2018/2019 and the medium-term for the national Government, Parliament and the Judiciary.

The 2018/2019 Budget is the first to be prepared in the second term of the Jubilee administration.

Hon. Deputy Speaker: As you proceed, I have asked the ICT gurus in this House to go round seeing what is happening with the gadgets. So, Hon. Members, it is under the civic permission from the Speaker when you see a stranger. You can proceed.

Hon. Ichung'wah: Thank you, Hon. Deputy Speaker. I was saying this is the first Budget to be prepared in the second term of the Jubilee administration. In addition to

implementing the Third Medium-Term Plan, the Budget is geared towards achievement of the Government's Big Four Agenda targeted at supporting manufacturing, improving food security, enhancing universal health coverage as well as improvement of living conditions through affordable housing. This is in addition to the ongoing strategic interventions under the pillars for the Economic Transformative Agenda, which the Government has been implementing over the last four financial years.

The Committee is pleased to note that, in terms of preparation and submission of the Budget Estimates for the Financial Year 2018/2019, the national Treasury has broadly adhered to the legal provisions as outlined in the Constitution, the Public Finance Management Act as well as the Public Finance Management Regulations. Indeed, unlike in previous years, the Committee received detailed information on the Budget Estimates. This is highly commendable as it shows increasing openness and transparency by the national Government. It has enabled the Committee to make informed decisions on the Budget. This Committee is committed to enhancing transparency and accountability in order to ensure all resources raised nationally are allocated and utilised to improve the welfare of the citizenry in an accountable and transparent manner. It is our belief that all Members in this House are committed to this purposeful oversight as this is what we owe Kenyans who elected us into this august House last year.

The Committee has tasked the Parliamentary Budget Office to create a compendium of projects at the national level. I invite all Committees of this House to use this compendium to actualise their oversight role by conducting regular monitoring and evaluation activities so as to ensure that the Budget is implemented as approved.

In terms of linking the 2018/2019 Budget to the medium-term priorities, the proposed 2018/2019 Budget is linking it to the Big Four Agenda as well as the medium-term priorities as contained in the Medium-Term Plan Three. The Committee is concerned that though there have been attempts to map the Big Four Agenda into existing programmes in the Budget, some information gaps still exist that may hinder achievement of some of the key Big Four Agenda projects. Notably, the proposal to enlist about 100,000 Community Health Volunteers under universal health coverage is not mentioned in the 2018/2019 Budget Estimates. Community Health Volunteers play an important role in the provision of health services at the community level. For the Big Four Agenda and medium-term plans to become a reality, projects and programmes that require budgetary allocation should be explicitly provided for in the Budget. I urge the Departmental Committees to thoroughly scrutinise budgets of the various ministries, departments and agencies (MDAs) within their purview and ensure these are aligned to the medium-term priorities of the Government. In addition, in order for all key players to own the Big Four Agenda, it should have been brought to this House as a Sessional Paper as the BAC had recommended during our review of the Budget Policy Statement (BPS).

To further strengthen financial consolidation adopted by the Government, the Committee is considering deeper scrutiny of all public finances, including all finances held by various parastatals. In this regard, the Committee has started using past fiscal prudence to review expenditure allocation to various agencies. To do this, the Committee has endeavoured to reduce, in a targeted way, allocations to agencies with numerous audit queries relating to misuse of public money. Similarly, the Committee has proposed removal or reduction of allocations which are in the Budget Estimates without proper justification and performance targets. With that, Members will note in our Report that there has been a drastic reduction in the monies appropriated to the National Youth Service in view of that statement.

In terms of realising macro framework underpinning the budget and the financing of the budget, the Committee is pleased to note that the 2018/2019 Budget has been prepared at a time when the economic environment is favourable. Business activity has picked up due to the improved political stability. Definitely after the handshake and the hugs, inflation is within five per cent target and has recently declined to 4.18 per cent in March 2018 and 3.78 per cent by April, 2018. The exchange rate is also quite stable due to increased Diaspora remittances and the food outlook seems promising even though there are significant downside risks from the recent flooding because of the persistent rains going on around the country.

According to the macro framework underpinning the 2018/2019 Budget, the economy is projected to expand by 5.8 per cent in 2017 from 4.9 per cent in 2016 and to expand further to a promising seven percent over the medium term. The key drivers for this growth are improved agricultural performance, manufacturing activities as well as the ongoing public infrastructural investments. Stability in the macroeconomic environment is expected to strengthen this growth. Inflation is expected to remain within a target range of five per cent over the medium-term. Interest rates are expected to remain low and the exchange rate stability will be safeguarded in the medium-term. For the economic environment to continue to be favourable, it requires the country to rise up and say no to corruption. The formal sector will rebound and the fundamentals driving economic growth will be strong enough to achieve the targeted growth of 5.8 per cent in 2018 and consequently seven per cent over the medium-term. Improved agricultural performance is deemed a key driver for growth. For this to happen, the pace of implementation and governance issues surrounding the Mwea Irrigation Scheme, Galana Kulalu and Bura schemes among others need to be urgently addressed. Similarly, the challenges that hinder full implementation of the development budget in the manufacturing sector as well as the ongoing infrastructural investments and, indeed, many development projects across all the ministries, departments and agencies (MDAs) should be explicitly addressed. This calls for intensive monitoring and oversight projects by the relevant House departmental committees. In addition, the Committee urges this House not to agree to any reduction in development funding during the Supplementary Budgets as has been the case in the past and in future, to ensure that these cuts do not come in.

Moving on to the key highlights of the 2018/2019 Budget, the overall proposed Budget for the Financial Year 2018/2019 amounts to Kshs3.074 trillion which comprises the following allocations: National Government - Kshs1.676 trillion, the Judiciary - Kshs17.76 billion, both Houses of Parliament - Kshs42.54 billion, the Consolidated Fund Services - Kshs962.562 billion and the County Revenue Allocation - Kshs372.742 billion. The general direction of the fiscal policy as indicated by the national Government is a reduction in expenditure as Government pursues fiscal consolidation in line with the East African Community (EAC) Monetary Convergence Criteria to bring down the fiscal deficit to three per cent by 2020/2021.

The approach of fiscal consolidation is to address the issues of deficit financing so as to reduce the rate of accumulation of public debt while ensuring that priority programmes are ring-fenced. As such, the Budget should be based on realistic revenues and expenditure growth should be contained. A review of the Budget as per the functions of the Government indicates that the highest share of Government expenditure, about 29 per cent constitutes public debt transactions. Indeed, total Consolidated Fund Services expenditures are estimated to be about Kshs962.5 billion which relates to payments which includes interest and redemption payment amounting to Kshs870.6 billion. This reduces money available for discretionary expenditure on development.

There is, therefore, need to exercise caution in the accumulation of additional debt in order to ensure adequate fiscal space for planning and budgeting.

Moving on to financing of the 2018/2019 Budget and the medium-term, the Budget will be financed through domestic revenue estimated at Kshs1.923 trillion comprising of ordinary revenue of Kshs1.743 trillion and Appropriations-in-Aid amounting to Kshs179.95 billion. The proportion of revenue estimates to GDP for 2018/2019 is 19.6 per cent which is equivalent to that of 2017/2018 Budget. This means that in our revenue collection effort, all performance will remain fairly the same in the coming Budget as that of the current Financial Year ending at the end of this month.

Expected grants from foreign governments and international organisations will amount to approximately Kshs47.037 billion bringing the total revenues to Kshs1.970 trillion. Given that these resources are inadequate to finance the projected total expenditure and net lending amounting to Kshs2.533 trillion, the Government will need to finance about Kshs562.748 billion fiscal deficit through borrowing.

Moving on, submissions got from departmental committees as indicated in our Report to the Budget proposals for this coming Financial Year 2018/2019, were committed to the departmental committees of the National Assembly for review of the Budget proposals for each MDA within their purview. This Committee examined and discussed the Budget Estimates in line with their specific mandate and made both policy and financial recommendations which were submitted to the Budget and Appropriations Committee for incorporation in this Report.

During these discussions with various departmental committees, some pertinent concerns and observations arose, notably, the issue of pending bills. This is a major concern that cuts across all MDAs and has led to increased project costs. Other major concerns include delayed project implementation, lack of necessary structures and enabling legislation to operationalise some funds. Duplication of some projects by different Government agencies, the reorganisation of Government and need for clarity on key deliverables of each MDA as well as the need to set up an emergency fund to repair all damaged roads and bridges across the country that have been destroyed by the recent floods. Upon the advice of the departmental committees, these MDAs could not give proper justifications for some of their allocations and their allocations were subjected to some deductions and the funds have been reallocated towards the areas deemed to be of critical nature that are inadequately funded. A summary of all departmental submissions is included in Annex 1 of our Report.

Moving on to the issue of public hearing in line with Article 221(5) of the Constitution, the Committee has adopted a framework where all counties will host public hearings over the next four financial years. The hearings will also take into account the Big Four Agenda initiatives. In this regard, the Budget and Appropriations Committee conducted public hearings on the proposed 2018/2019 Budget in the following 12 counties, namely, West Pokot, Kajiado, Bungoma, Nakuru, Kirinyaga, Tharaka Nithi, Nairobi, Migori, Nyamira, Marsabit, Mombasa and Makueni. It should be noted that the public hearings exercise generated significant interest across the country and in some instances, members of the public from counties adjacent to those hosting public hearing centres attended the meetings and gave their submissions. As such, the Committee also received submissions from the people of Kwale who came to Mombasa, the people of Meru who came to Tharaka Nithi, the people of Baringo who came to Nakuru and the people of Busia who came to Bungoma County during our public hearings.

The Committee, in addition, received written submissions through the Office of the Clerk from organised group as well as individuals, notable, submissions were received from the

Institute of Social Accountability (TISA), the Kenya Disability Parliamentary Association under the chairmanship of Sen. Isaac Mwaura, the World Vision Kenya, Development Initiatives, International Institute for Legislative Affairs, Dagoretti District Land Owners Association as well as Dagoretti Slaughter House Owners Association, Haki Jamii, African Population and Health Research Centre, Path, Oxfam, Institute of Public Finance, Health Rights Advocacy Kenya, National Taxpayers Association and the International Budget Partnership Kenya among others.

The submissions received from the public as well as those received from organised groups covered a broad range of concerns from public financial management to infrastructure, mostly roads and energy, education, basic school infrastructure, water, health and other basic social needs. Indeed, the requests from the public were numerous and very critical, but due to limited resources, not all submissions could be accommodated in the 2018/2019 Financial Year. Arising from these submissions during the public hearings, the Committee made the following observations:

1. **Timing of public participation:** It was observed that the public hearings are held towards the tail end of the Budget process when the macro framework has been finalised and expenditure ceilings broadly agreed upon. As such, it becomes difficult to incorporate major projects from the public hearing into the Budget. You realise that we did our public participation in the month of May. It is our considered view that this ought to come much earlier than in the month of May.
2. **Stalled Government projects:** The Committee noted that there are numerous Government projects which have taken too long to complete yet they are critical for the economic wellbeing of the country. Examples of such projects include the Kenya Industrial Research and Development Institute (KIRDI) laboratories in South B, the Civil Servants Housing Scheme in Makueni County, which started in the early 1990s and the construction of footbridges, some that require as little as Kshs6 million, across the country. There was also the Nyayo Ward Hospital in Kariobangi North in Nairobi County; Mama Lucy Kibaki Hospital Unit, which is still under construction; and Mitihani House that has been under construction for over 35 years.
3. **Access to basic social services:** In almost all the counties that we visited, there were challenges experienced with regard to access to water for domestic and animal use as well as provision of quality health services. Indeed, many hospitals are not fully equipped and are, therefore, not able to provide the services required. Examples of such hospitals include 41 health centres in Dandora, Embakasi North Constituency; Mama Lucy Kibaki Hospital; Mathari Mental Hospital among many others.
4. **Poor infrastructure:** The Committee observed that in many counties, roads are in poor condition and actually impassable in some areas, particularly after the recent flooding. In some counties, existing bridges have been washed away by floods. Case examples being a few bridges in Tharaka Nithi County and many others in Tana River County.
5. **Electricity connectivity:** It was noted that there are some challenges with regard to rural electrification. In some areas, there is no power due to lack of transformers. This has made it difficult to implement some health and education programmes and is adversely affecting schools, health facilities and individual households. A case example was in West Pokot where the managed equipment system programme could not be operationalised because the hospital was lacking a transformer in the vicinity

- to be able to use part of the machinery supplied to that hospital and which the County Government of West Pokot is still paying for to the vendors.
6. Unequal development of school infrastructure: Many public primary schools are facing challenges with regard to infrastructure such as lack of enough classrooms, lack of power and other basic facilities. Some schools are still mud-walled and in dilapidated states.
 7. Managed Equipment Services Programme under the Ministry of Health: It was observed that most hospitals in the counties that were visited have utilised the MES efficiently, but some are unable to utilise it due to lack of power as well as requisite personnel and inadequate space. Notably, the MES equipment is not used in West Pokot Referral Hospital reportedly due to lack of a transformer in the vicinity of the hospital. In other places, the water available is not fit for use in the machines. These challenges have made it difficult to fully utilise these equipment in some regions. There are some regions we visited and they did not have filtration systems to convert hard water into soft water for use in the dialysis machines that have been supplied to these hospitals.
 8. Lack of extension services: Many farmers, notably the rice-growing farmers in Mwea as well as farmers in Tharaka Nithi require agricultural extension services, but these are lacking and county governments in the areas need to hasten efforts to provide the extension services, this being a devolved function. At a policy level, the Ministry of Agriculture needs to work together with the county governments to ensure that extension services are available to our farmers.

Moving on to the Committee's recommendations, having considered all the above matters, the Committee recommends as follows:

1. On policy recommendations, public hearings on the Budget be conducted after the Budget Review and Outlook Paper has been submitted to Parliament so that the projects arising from public consultations are included in the Budget before the Budget Policy Statement is finalised. This House should, therefore, amend the PFM law to ensure that public participation on the Budget is conducted in the months of October and November every year. We do expect, if we are able to do this, to conduct public hearings on the next financial year of 2019/2020 by October/November of this year.
2. That, given the large projects being initiated by the national Government with contractual agreements which Parliament only gets to know about later, any contractual agreement worth more than Kshs1 billion should be pre-approved by Parliament beginning 1st July 2018.
3. That, given the importance of finalising ongoing projects, particularly in infrastructure, manufacturing and agricultural sectors, resources allocated for these projects should be ring-fenced and a proper monitoring and evaluation framework be put in place to ensure that these projects are completed within the stipulated timeframe. Any budgetary changes within the year should not affect projects related to manufacturing unless substantial reasons are provided along with a plan on how this will be mitigated. This is to forestall cases that we have seen of very many stalled projects that are important and critical for the growth of our economy especially in the manufacturing sector that ought to spur not just economic growth, but also create job opportunities for millions of our employed youth.

4. That, a list of all pending bills should be provided by the National Treasury and they should be given priority in the 2018/2019 Budget to limit accrual of penalties in various MDAs.
5. That, the Government considers expanding the current leasing framework for motor vehicles for the entire public service as opposed to purchasing vehicles as this is quite expensive, to borrow from the National Police Service. We were assured by the National Treasury that they are, indeed, carrying out an audit of the leasing programme of police vehicles to be able to roll this out in other areas in the Government.
6. That, an audit of Mitihani House, Umma Dam, KIRDI laboratories in South B, the Civil Servants Housing Scheme in Makueni and other major stalled Government projects, including sports stadia across the country, be carried out by the departmental committees in liaison with the MDAs to determine why these projects have taken so long to complete and a report presented to this House. These projects should be prioritised for completion in the medium-term as they have consumed a significant amount of taxpayers' money and still continue to incur costs without yielding any returns to the people of Kenya who are contributing the taxes. As I mentioned, a case in point is the Umma Dam that has stalled for many years and the Mitihani House in South C which has been under construction for the last 35 years when I was only five years old.
7. That, moving forward, the Government should pursue the public-private partnership (PPP) framework, which has been adopted by the Office of the Auditor-General for designing and construction of the Auditor-General's headquarters at Upper Hill. Once finalised, this building can also host offices of other ministries, departments and agencies as well as offices of other independent constitutional offices thereby achieving value for money for taxpayers. It is the considered view of the Committee that going forward, this will be the best model for implementing capital projects in construction of buildings by Government agencies other than sinking public funds into constructing buildings that we can achieve through a PPP model.
8. That, the last mile connectivity programme should be intensified to ensure all public institutions are connected to power as well as individual households, with particular mention to those hospitals where equipment under the MES programme cannot be utilised because they are not connected to power.
9. That, a performance audit of the MES equipment be carried out to ensure value for money.
10. That, a performance audit of the Computed Tomography Scan (CT-Scan) project be also carried out to ensure that there is value for money in this project.
11. That, the national Government should improve on policy with regard to agricultural extension services and ensure that all counties are offering these services.
12. That, within the allocation for fertiliser subsidy, Kshs1 billion be ring-fenced for coffee farmers in the country.
13. That, the budgetary allocations for Parliament and that of the Judiciary should be based on a 7.5 per cent annual increase on their Recurrent Budget. Thus, discussions should be held on allocative efficiency and not ceilings and that Development Budget allocation be contested on a need basis.
14. That, the Development Budget should not be subject to deductions during the Supplementary Budget and that this House should not and must not approve any such deductions should they occur during Supplementary Budgets.

Hon. Deputy Speaker, on financial recommendations, these are the Committee recommendations arising from public hearings. The Committee came up with three priority areas which need to be urgently addressed, namely, water, roads and basic social services (healthcare and education). The Committee, therefore, recommends the following:

(1) That, to address the water needs, the following allocations be made: In Kajiado County; Kajiado East and South to receive Kshs.15 million and 20 million respectively for water pans for holding flood waters to be used for irrigation of pasture and drinking water for animals. Marsabit County drilling of boreholes to earth dams for water to be used for irrigation, drinking water for animals and other domestic use; Kshs.20 million per constituency amounting to a total of Kshs.80 million. In West Pokot County a feasibility design and compensation of land to facilitate construction of the Kaprom Dam at Kshs.100 million.

(2) That, improvement of roads and other infrastructure is an urgent and critical need around the country. Cognisant of the fact that long-term tarmacking will take time, the Committee has set aside funds for the following counties for the development of all-weather roads and other infrastructure to be distributed in the following manner:

In Nairobi County, Riruta-Dagoretti-Kawangware Road C63 - Kshs60 million. In Nakuru County, construction of Kuresoi North Sub-county Deputy County Commissioner's (DCC's) office and access roads will receive Kshs30 million and rehabilitation of roads in Nakuru East at Kshs10 million. Rehabilitation of roads in Bahati, Naivasha and Gilgil constituencies - Kshs10 million each. Bungoma County be given Kshs100 million for repairs of the following roads: Turbo-Naitiri-Sikhendu Road C44, the road covers three constituencies that is Turbo, Tongaren and Kiminini and the construction of Emia Road in Kopsiro area to help in movement of agricultural goods.

In Nyamira County, rehabilitation of various roads (upgrading 100 kilometres) in Borabu, Kitutu Masaba, North Mugirango and West Mugirango constituencies, Kshs10 million to each. In Migori County, rehabilitation of various roads and construction of box culverts. Suna East Constituency - Kshs20 million, Suna West Constituency - Kshs15 million, Uriri Constituency - Kshs10 million, Nyatike Constituency - Kshs15 million, Kuria West Constituency - Kshs10 million, Kuria East Constituency - Kshs15 million, Awendo Constituency - Kshs15 million and Rongo Constituency - Kshs10 million.

In Mombasa County, Aldina-Mikanjuni Road connects two wards in Jomvu that is Mikindani Ward and Jomvu Kuu Ward (3 km road stretch) receiving Kshs.15 million. Tharaka Nithi County, rehabilitation of various roads in Maara and Tharaka Constituencies will receive Kshs.10 million each. In Kirinyaga County, rehabilitation of various roads in Mwea and Gichugu Constituencies will get Kshs.15 million each and Kirinyaga Central and Ndia Constituencies Kshs.5 million each.

(3) That, to improve street lighting in the counties that expressed critical need, the following allocations be made: In Nairobi County, street lights in Karen, Gitiba, Mutuini to receive Kshs5 million. Street lights in Embakasi Central, Embakasi North, Embakasi West and Mathare Constituencies - Kshs15 million. In Mombasa County, for the installation of street lights on roads in Changamwe - Kshs5 million.

(4) That, funds be allocated for bridges and be distributed in the following manner: In Makueni County, Thwake Bridge - Kshs150 million for the completion of this bridge that will cut the distance of two constituencies to Wote headquarters by a distance of 120 kilometres. People have to travel a distance of 140 kilometres because there is no bridge. The completion of the bridge will cut the distance by 115 kilometres to 25 kilometres to access Wote, the county

headquarters of Makueni County. Kona Baridi Bridge connecting Kajiado Central to Kajiado West - Kshs100 million.

(5) That, to improve basic infrastructure in public schools, the following allocations be made: In Nakuru County, reconstruction of Solai School - Kshs20 million. These are the two schools that were washed away by flood waters from the Patel Dam, which was an unfortunate incident in Solai, Nakuru County. In Tharaka-Nithi County, construction of classrooms in Kamutuandu Primary School. As you can remember, the Member for Tharaka-Nithi, whom I had seen in this House and the Senator were featured on social media constructing mud-walled classrooms. The Budget and Appropriations Committee has stepped in to ensure that children in this particular school no longer attend a mud-walled school. We have allocated Kshs10 million towards the construction of classrooms and an administration block. In Kirinyaga County, upgrading of St. Augustine Mwea Boys High School in Mwea Constituency - Kshs10 million.

(6) That, Kshs20 million be allocated to the Coast General Hospital in Mombasa County for reconstruction of the drugs rehabilitation centre because of challenges of drug abuse in the Coast region.

(7) That, Kshs70 million be set aside for the construction of a social innovation centre in Tharaka-Nithi County.

(8) That, Kshs40 million be set aside for fencing of the Kapenguria Museum to protect our national heritage for future generations.

Hon. Deputy Speaker, given resource constraints, the Committee could not provide for every expenditure request from the public. However, all requests received from the public have been compiled and can be found in Annex II of our Report. Some of the critical needs highlighted by counties not hosting public hearings as well as through written memoranda include the following: From the residents of Kwale County who participated in Mombasa, rehabilitation of Madibwani and Dzuho Ra Mawe primary schools in Kinango. From Meru County, rehabilitation of various roads notably in Imenti South Constituency. In Busia County, the construction of Nambale-Busibwabo-Mundika-Mayenje-Busia Road, which covers Nambale and Matayos constituencies.

Hon. Deputy Speaker, even within centres where public hearings were held, not all expenditure needs could be met. Some of the critical needs not allocated resources include: From Marsabit County, construction of two bridges in Sololo region in order to connect Sololo Town to other neighbouring towns and more importantly, control and reduce the effects of floods in the area. The two proposed bridges are Malka Dulacha Qallu and Karibururi. The construction of Kenya Medical Training College (KMTC) in Marsabit County to increase health personnel by enhancing local training and construction of the Marsarbit-Wajir Road to open up the region to the neighbouring counties to ease free movement of people and goods. The tarmacking of Moyale-Dabell Road to bitumen standard so as to open the region into other counties for easy movement of people, goods and services.

In Nakuru County construction of a 200-capacity hostel at the Naivasha Technical Training Institute (TTI) and the construction of a youth polytechnic/tertiary college in Njoro. In Kirinyaga County, the construction of Kirinyaga industrial park and tomato and french beans processing plant in Mwea. In Tharaka Nithi County, the construction of Mbututia, Kithina dams and the completion of Ruguti Bridge. In Nyamira County, the establishment of fresh produce processing plants for agricultural value addition and drilling of mega boreholes to serve residents, learning institutions and health facilities.

In Migori County, the establishment of a fish processing plant and conversion of the Migori Teachers Training College (TTC) into a fully pledged university. In West Pokot County, a honey processing plant, construction of West Pokot airstrip and repair and rehabilitation of the bridge on Makutano-Kacheliba Road.

In West Pokot, we have a honey processing plant, conversion of Migori TTC into a university, construction of West Pokot Airstrip and repair and rehabilitation of bridges on the Makutano-Kacheliba Road.

I do not want to go through the entire list. I will ask that you add me one minute to conclude just on the public participation because, Hon. Deputy Speaker, you remember from the 11th Parliament, this has been a very touchy issue. We decided, as the Budget and Appropriations Committee, this time round to be a bit magnanimous and go even to counties that are not represented in this Committee to ensure that over the next four years, we cover all the counties. Even in the counties we visited, people from neighbouring counties came but we were not able to accommodate them within the resource envelop. So, we had to recommend them for future allocation of resources. I do not want to go through the entire list because all these issues are highlighted in our Report. Hon. Members will be able to go through the entire list. It is worth noting from the allocations and the deductions that we have effected in respect of various ministries; as I mentioned, the NYS has lost Kshs8.24 billion. In respect of other MDAs that have been mentioned adversely in both PIC and PAC reports and other reports, or those MDAs which are under investigations by investigative agencies, we have also made effort to deduct funds allocated to them and reallocate the same resources to other critical areas.

We have also made efforts to incorporate many of the proposals that came from our departmental committees in terms of reallocation of resources from what departmental committees perceived to be non-critical areas to the more critical areas that departmental committees in their conversations with MDAs came across.

Further, the Committee recommends that this House resolves to approve the Report and the recommendations of the Budget and Appropriations Committee on the Budget Estimates for the national Government, the Judiciary and Parliament for the Financial Year 2018/2019; approves the Schedule that I have attached to this Report, which forms the basis of the Appropriations Act for 2018/2019; and approves that the National Treasury finalises the required Budget document as per the Public Finance Management Act on detailed estimates and in addition ensures that the approved Appropriation Bill will be in line with the recognised structure of government as per the Executive Order that we have been promised will be coming in the coming few days.

The Budget and Appropriations Committee is grateful to the departmental committees and all members of this House who participated in the process for their very hard work and dedication in making sure that Parliament lives to its budgetary oversight role. The chairs of various departmental committees delivered to the Budget and Appropriations Committee reports which were well organised, and this was very commendable. The consolidated reports are contained in Annex III of this Report. The Committee is also grateful to the public for having turned up in large numbers to take part in the public hearings. We are also grateful to those who took their time to send written memoranda to Parliament. We also appreciate those Members of Parliament who, through not being Members of the Budget and Appropriations Committee, took time out of their busy schedules to attend public hearings on the National Budget in the constituencies and counties that we visited. Some went out of their way. A case in point is Hon.

Kathuri *ka Mashinani*, who took time to attend the public hearing in the neighbouring county of Tharaka Nithi all the way from Meru County.

Lastly, the Committee is grateful to the Office of the Speaker of the National Assembly, the Office of the Clerk of the National Assembly, the clerks of the departmental committees and the Parliamentary Budget Office for the support received as it discharged its mandate of reviewing the Printed Estimates for the Financial Year 2018/2019.

It is therefore my pleasant undertaking, on behalf of the Budget and Appropriations Committee, to table this Report and recommend it to the House for adoption. I cannot trace where my vice chair is seated.

With those remarks, I will ask the indomitable Member the Budget and Appropriations Committee, Hon. (Dr.) Makali Mulu – a seasoned economist – to second the Motion.

I beg to move.

Hon. Deputy Speaker: Even as he seconds, let me recognise, in the Speaker's Gallery, the presence of students from Precious Blood Secondary School, Riruta, from Dagoretti Constituency, Nairobi County; and Lang'ata West Primary School from Lang'ata Constituency, Nairobi County.

Let us have Hon. Makali Mulu.

Hon. Mulu: Thank you, Hon. Deputy Speaker, for giving me this chance to second the Motion on next year's Budget. I must thank my Chairman for moving this Report. I also want to register my complaint because I have just been called to second without any preparation. However, let me just give it a shot. I will not dwell much on the figures because I think the Chair has done that and I am sure the chairs of the departmental committees will do the same.

I want to take this time to highlight some of the key findings of the Budget and Appropriations Committee in terms of what I will call the overall budget-making process. I just want to point out a few items on this Budget, which I think are worth noting. The first item is the issue of making resources available for MDAs which have audit queries. Time has come for this House to be firm on this position. This House is lucky to have all the oversight committees. More so, I want to single out a few of them – PAC, PIC and Special Funds Accounts Committee (SFAC) – which actually take time and look at the accounts of all the MDAs. Time has come for this House to make sure that recommendations by PAC, PIC and SFAC are factored in the budget-making process. That way, we will ensure that MDAs which have audit queries will only get resources they can use without any problem.

The other issue I want to mention is that of the development Budget. I support my Chairman for he has said that as a House, we need to protect the development Budget. Once this House passes the development Budget, it is important that we do not allow any reduction. Why am I saying so? The reason is all the projection in terms of economic growth and revenue generation are actually anchored on the development Budget. Once you reduce the development Budget, other variables will be affected in a negative way. Therefore, it is important that, as a House, we protect the development Budget once we pass it.

The other issue I want to raise or talk about is that of the timing of the public hearings. My Chairman has said that we need to think seriously about the timing of the public hearings. The reason why we are saying this is because when we interact with the public, the needs which the public present to the Committee are so much that they cannot be accommodated just after the key process of the budget-making process; that is, the Policy Statement and the Annual Estimates will have been prepared. So, what the chair is proposing, which Hon. Members need to note, is that we need to bring public hearings to either November or October so that once we

correct all these needs then they can be factored into the Budget from a perspective that they can be allowed. This is because we are now a bit restricted with resources.

The other thing is the issue of the managed equipment services. As my Chair was presenting, he mentioned what we call the medical equipment services and the CT scanners. What we have found out, as a Committee, is that the implementation of programmes is facing challenges. We associate this to the fact that we do not think proper project or programme appraisal is being done. Time has come for us, as a House, to demand that all MDAs do proper project appraisal before any funding is committed. I support the proposal that any project that cost the Government more than Kshs1 billion must be approved by this House so that as a House we can have a chance to make sure that proper appraisal has been done. That way, we can ensure that Kenyans eventually get value for money.

As a House, we should make sure that proper appraisal has been done and that Kenyans will get value for money. That is something we need to note as a House.

The other issue is stalled projects all over the place. As a country, I am sure if we talked to individual Members, we will realise that each of our constituencies has a stalled Government project. The Government has committed money to those stalled projects. Is it not wise that as a House, we demand that all stalled projects are completed before we start new projects? If we go that way, we will help this country in terms of achieving economic growth and making sure that Kenyans benefit from the intended objective of those projects.

The other issue is what the Chairman has said in terms of sharing the money allocated to public hearings. You realise that the budget for that is not much. It is just about Kshs1 billion. When you look through what has been shared to individual constituencies, you realise there is much more which has not been shared. Most of the constituencies have not benefited. I want to assure Hon. Members that as a Committee, we have made sure that over time, we will reach all the constituencies.

The Budget and Appropriations Committee has planned that in the coming four years, every constituency will be visited and will benefit from public hearings. I am just assuring Hon. Members that they should not be worried if their constituency was not visited this year. Next year, we will visit different constituencies and the other year we will visit others. At the end of the four years, every constituency will have benefited and they will also get projects. You are lucky, Hon. Deputy Speaker. I saw Kuresoi Constituency being mentioned somewhere. That means that when we go to another constituency next year, you will not benefit. Other people will benefit in the other years. Unlike in the 11th Parliament where some constituencies benefited and others did not, this time the Budget and Appropriations Committee is working in a very structured manner to make sure that all Hon. Members get projects.

The other issue is monitoring and evaluation of devolution. Oversight is purely about monitoring and evaluation. I urge Committees and Chairpersons of Committees that since we will appropriate for your ministries, departments and agencies (MDAs) as a House, immediately the money is released, it is your responsibility to make sure that you track implementation. We have realised that when we plan like we have done now, we have very clear outputs, outcomes and targets which have been proposed. As we continue with the implementation, we would lose track of the achievement of those performance indicators. Departmental Committees would help this House in a great way, if they take time to ensure that they go the extra mile to track the implementation of whatever is planned in terms of output and targets. That is the aspect of this process. As the Chair said, this year, Chairpersons of Committees have gone that extra mile and participated very actively in the budget-making process. That is very important.

The next item I want to speak about is the public debt. As a Committee, we caution the Government that even as we continue borrowing from outside and internally, let us bear in mind that the basic principles of public debt management demand that you need to balance inter-generational interests in terms of public borrowing so that we do not overburden future generations with paying the debts which we are taking today. Even though every time the National Treasury keeps on saying that we are within the international indicators, it is important that we bear in mind that Kenya is a growing country and we must take care of our future generations. We do not want to overburden our children with paying loans which we took and then they will be unable to move as a country in future. It is important as a House that we always protect the future generations by making sure that we control our public borrowing.

Last, but not least, is the issue of corruption. I support my Chairman. It is time we said no to corruption. For any MDA seen to be corrupt, we must as a House reduce the resources allocated to it. This year we have started with the National Youth Service. Very soon, the National Cereals and Produce Board (NCPB) and the Kenya Pipeline Company (KPC) will follow. Anybody confirmed to be corrupt should not have resources appropriated to them by this House. That is the message we want to send.

With those remarks, I beg to second.

(Question proposed)

Hon. Deputy Speaker: Hon. Members, we will now have the Chairs of Committees contributing and we will do it in an alphabetical manner, starting with the Chairperson of the Departmental Committee on Administration and National Security, who will be followed by the Chairpersons of the Departmental Committee on Agriculture and Livestock; the Departmental Committee on Communication, Information and Innovation - this is for purposes of preparation – the Departmental Committee on Defence and Foreign Relations; the Departmental Committee on Education and Research; the Departmental Committee on Energy; the Departmental Committee on Environment and Natural Resources; the Departmental Committee on Finance and National Planning; the Departmental Committee on Health; the Departmental Committee on Justice and Legal Affairs; the Departmental Committee on Labour and Social Welfare; the Departmental Committee on Lands; the Departmental Committee on Sports, Tourism and Culture; the Departmental Committee on Trade, Industry and Cooperatives; and the Departmental Committee on Transport, Public Works and Housing, in that order.

I had promised to give an opportunity to a Member who wanted to make his maiden speech. Unfortunately, he will not be able to do so in the morning. I believe he will have an opportunity in the afternoon. That is the Member for Vihiga. Continue preparing, Hon. Member. You will still have an opportunity to contribute in the afternoon.

Let us start with the Chairman of the Departmental Committee on Administration and National Security, Hon. Koinange. Proceed.

Hon. Koinange: Thank you, Hon. Deputy Speaker. I support the Budget Estimates that have come at a time when our security environment is improving from the tensions that characterised the 2017 General Election, though terrorism, juvenile gangs and cattle rustling still pose a major security threat in some areas of our country. I am happy to note that significant resources have been proposed in this Budget towards improving our security environment. The State Department of Interior, with a proposed allocation of Kshs124.9 billion, will continue focusing on the following areas:

1. Scaling up investments towards modernisation of security systems aimed at strengthening security of our borders and throughout the country;
2. Enhance security operations especially in the areas prone to crime.
3. Building capacity for effective and faster investigation and strengthening co-ordination among security agencies which have stronger partnership with communities.

Hon. Temporary Deputy Speaker, the particular areas for improving our security are:

(1) Focus on expansion of the National Surveillance and Control System in Nakuru, Kisumu and Eldoret;

- (2) Acquisition of 20,000 police houses;
- (3) Acquisition of 2,000 motor bikes for National Police Service officers;
- (4) Equipping of the forensic laboratory;
- (5) Acquisition of 10,000 motor bikes for chiefs and assistant chiefs;
- (6) Construction of the ongoing and 59 newly gazetted sub county headquarters;
- (7) Installation of the third generation identity cards system;
- (8) Modernisation of Government Press;
- (9) Establishment of the national population register;
- (10) Reduction in alcohol substances and drugs abuse.

National security is an enabler towards achievement of our priorities as identified in Vision 2030 and the medium-term plan alongside the economic transformation agenda for the Jubilee Administration.

Additionally, the sector is critical towards the attainment of the Big Four Agenda. Under the universal healthcare or the Big Four Agenda, the proposed allocation will:

- (i) Ensure universal national health insurance fund cover through public mobilisation of the NHIF coverage by use of motorbikes which will be acquired;
- (ii) Ensure all officers both in police and prison officers are under NHIF;
- (iii) Enhance the issuance of identity cards and birth certificates to enable admission into the NHIF scheme.

On the agenda of food security and nutrition, the State Department of Interior will sensitise the public through regular *barazas* on the importance of water harvesting and planting of drought tolerant crops. It will also provide security to all our water infrastructure towers.

To support manufacturing with the proposed allocation, the sector will install Closed Circuit Television (CCTV) cameras in Nairobi, Mombasa, Kisumu, Eldoret and Nakuru to enhance security and enable the implementation of a 24 hour economy. From now henceforth, our security sector shall not allow any counterfeit goods into our economy. The war has already started and we are not relenting. Let us all appreciate the fact that illegality of imported goods benefits the smugglers only as they are sold to our unsuspecting consumers at the normal market rates. The same products deny our Government huge revenues. Some of these products also pose a serious security threat to our people's health, for example food products and medicine. If not checked, proceeds from this illicit trade may also fund terrorism.

With the proposed allocation, the State Department of Correctional Services will contribute towards provision of universal health care by providing 27,000 prison officers and their families with medical cover. They will also construct nine health facilities in Kisii, Makueni, Kehancha, Kajjado, Mwingi, Mara Njau, Kitengela, Kaloleni and Shikusa. Under food and nutrition security, the State Department of Correctional Services will target mechanisation of prison farms to increase food production. Under industrial production, manufacturing and agro

processing, the prisons will revitalise leather industry in Kitengela Prison to process 10,000 square feet of leather per month as well as produce 100 shoes per day. The prisons will further produce 4,000 secure number plates from the current rate of 2,000 per day.

However, my Committee notes with concern the slow pace of implementation of development projects within the security sector arising out of limited funds for capital spending. For example, a review of projects under the presidency review shows that it is implementing a total of 13 projects with an estimated cost of Kshs13.5billion in the Financial Year 2018/2019. In the medium-term Kshs1.18billion, Kshs1.57billion and Kshs1.641billion has been proposed for allocation across the various projects. The total allocation in the medium-term amounts to Kshs4.4billion against an estimated cost of Kshs13.5billion giving a deficit in resource requirement of Kshs9.1billion. The State Department of Interior will implement 149 projects in the Financial Year 2018/2019 and the estimated cost of the medium-term amounts to Kshs114billion with a proposed allocation of Kshs15.6billion. The allocation will be financed by the Government of Kenya at Kshs15.1billion and Kshs429million through external finding respectively.

The Committee has recommended that the projects will be implemented by completing the unfinished projects of Medium-Term Plan II of Vision 2030 before other projects can be introduced in the third medium-term plan of Vision 2030. In view of the newly established sub counties which require significant resources towards the establishment of offices, the Committee recommends Kshs570million to be reallocated from the National Security Surveillance Project to fund construction of a third of the newly created sub counties. The Committee shall recommend to this House to consider appropriating resources for other counties in the subsequent years to enable construction of these newly created sub counties so that they can be completed in three years' time and avoid many projects at once which may escalate into pending bills which often disrupts the implementation of the Budget every year.

The Committee also noted with concern the historical pending bills which keep on disrupting the implementation of the Budget every year. The State Department of Interior has one of the highest pending bills in the Government. The Committee recommends that a comprehensive audit of all pending bills be verified and validated, and thereafter provide for an allocation to settle the pending bills once and for all.

The Committee also noted rising cases of court injunctions on Government constructions arising out of insufficient documentation of ownership of land where such constructions are ongoing. To this end, the Committee recommends Kshs20million to be provided to the State Department of Interior to compensate the owners of plots which were taken over by the Government.

The Temporary Deputy Speaker (Hon. Mariru): Hon. Chairman, I want to remind the Chairpersons of committees that they will have a maximum of 10 minutes. Because you are the first one and the other Chairpersons will learn from you, I will add you two minutes to conclude. However, any other subsequent Chair shall have a maximum of 10 minutes.

Hon. Koinange: Much obliged, Hon. Temporary Deputy Speaker. Thank you.

The Committee also noted rising cases of court cases. I conclude by saying that the Committee has resolved to carry out its oversight mandate with extra vigour because we believe that it prevents corruption before it occurs. Before we even begin acquisition of the 20,000 new police houses, we shall embark on a thorough physical audit to establish how many police houses we have in the first place and who occupies them. We cannot afford to have some officers being

allocated more than one house unit which they then rent out to civilians while their colleagues share houses.

I urge all committees of the honourable House to be extra vigilant in their oversight role. Let us not delegate our constitutional mandate of oversight.

Let me end by congratulating the Budget and Appropriations Committee of the National Assembly for a job well done. Keep it up.

Thank you, Hon. Temporary Deputy Speaker,

The Temporary Deputy Speaker (Hon. Mariru): We shall now have the Chair of the Departmental Committee on Agriculture and Livestock.

Hon. Wangwe: Thank you, Hon. Temporary Deputy Speaker. Allow me to stand in for my Chair who is away.

The proposed allocation to the Agriculture Sector in 2018/2019 Financial Year is Kshs57.8 billion composed as follows:

- (a) State Department of Crops Kshs25.253billion
- (b) State Department of Livestock Kshs6.258 billion.
- (c) State Department of Research Kshs5.561 billion.
- (d) State Department of Fisheries Kshs2.791 billion.
- (e) State Department of Irrigation Kshs17.976 billion.

The total is Kshs57.841 billion.

It is important to note that the share of the agriculture budget has been stagnant at 2 per cent for the last two years and is projected to maintain the trend over the medium term. Arising from the Maputo Declaration, agriculture is supposed to be allocated 10 per cent. Kenya is a signatory to the Maputo Declaration.

Other than lack of adequate budget provision, the sector is faced with a number of challenges key among them being the spread of fall army worm in maize growing areas particularly in the Rift Valley and the western part of the country which is likely to affect maize production in the country. The Department of Crop Development requested for Kshs826 million under the Supplementary Estimates II to mitigate against the effect of fall army worm. However, there was no allocation to the Department for the item.

In 2018/2019 Financial Year, the Department was allocated Kshs300 million to contain the spread and adverse effect of the worm. It is important to note that if the devastation of the fall army worm is not contained adequately, it has the potential to derail the Government's Big Four Agenda particularly on food security and nutrition.

The country is also faced with an acute shortage of fertiliser and inefficiency distribution to farmers which has serious repercussions for the country's food security. According to the Ministry of Agriculture and Irrigation, the Fertiliser Subsidy Programme by the Government covers only 30 per cent of the country's needs and therefore there is need for enhanced funding for the programme. In 2017/2018 Programme, it was allocated Kshs5.6billion. However, the allocation to the programme has been reduced in 2018/2019 Financial Year to Kshs44.3 billion translating to a 23.2 per cent.

The Government has pending bills of Kshs3.5 billion owed to farmers who supplied maize to the National Cereals and Produce Board (NCPB) and a further Kshs5.8 billion under the Unga Subsidy Programme owed to millers who supplied the subsidised flour.

The Committee noted the modernisation of machinery and equipment at the Kenya Meat Commission which is set to stall due to inadequate funding by the Government. The project was allocated Kshs500 million in 2017/2018. However the Department received Kshs125 million out of its allocation and the rest was removed from the Supplementary Estimates. This will escalate

the Department's pending bills and subject it to possible litigation given that there is a contractor on site undertaking the modernisation works for the organisation. It is important to note that there was allocation for the project in 2018/2019. However, in view of the myriad of changes and challenges faced by the sector, the Committee has made a number of recommendations to the Budget and Appropriations Committee some of which have been captured in the Report.

We have policy recommendation. The share of agriculture budget has been stagnant at 2 per cent as a policy in the last two years and it is projected to maintain the trend in the medium term. This is despite the fact that the Government is a signatory to the Maputo Declaration which calls upon African Governments to spend a minimum of 10 per cent of the Budget on agriculture. Therefore, the Committee recommends in the subsequent Budgets, the sector budget to be increased to 5 per cent of the overall budget given the critical role the sector plays in the economy particularly its contribution to the Big Four Agenda.

On the financial recommendation reallocations, the Committee recommends the reallocation of Kshs100 million meant for establishment of disease free zones. The Committee's decision is informed by the lack of clear justification for the project given that the country is not likely to export meat to outside markets in the near future. The Committee therefore recommends the reallocation of the funds to the following areas:

The allocation of Kshs85 million to the Kenya Meat Commission for the settling of pending bills owed to farmers which were incurred during the drought mitigation period through the Animal Off-take Programme.

Reallocation of Kshs15 million to the programme of general administration, planning and support services specifically to the directorate of policy regulation and research.

We also made proposed increments to our budgets.

To the State Department of Agriculture, the Committee recommends an additional allocation of Kshs9.3 billion outside the ceiling for the State Department composed of Kshs3.5 billion for settling pending bills owed to farmers and Kshs5.8 billion owed to millers under the Unga Subsidy Programme.

State Department of Livestock, the Committee recommends an additional allocation of Kshs300 million outside the ceiling for the Department to Kenya Meat Commission for settling of pending bills owed to farmers which were incurred during the drought mitigation period through the Animal Off-take Programme.

The Kenya Meat Commission was allocated Kshs500 million in the Financial Year 2016/2017 for modernisation of its infrastructure. However, the Department received Kshs125 million out of its allocation and the rest removed through the Supplementary Estimates. There is a contractor on site who is undertaking the modernisation works for the organisation who has submitted a certificate whose value is Kshs375 million. Therefore, the Committee recommends an additional allocation of Kshs375 million for settling pending bills arising from the on-going modernisation and re-engineering of Kenya Meat Commission.

The State Department of Irrigation, the Committee recommends the approval of the department's budget as contained in the Budget Estimates for the Financial Year 2018/2019. In the subsequent Budgets, the Department's budget should be increased to 5 per cent of the overall Budget given the critical role the sector plays in the economy particularly in the contribution to the Big Four Agenda in the country.

State Department of Fisheries, the Committee approves the departmental budget as contained in the Budget Estimates for the Financial Year 2018/2019. In the subsequent Budgets,

the Department's budget should be increased to 5 per cent of the overall Budget as it is requested above.

The State Department of Irrigation Research, the Committee recommends the approval of the Department's budget as contained in the Budget Estimates for 2018/2019 Financial Year. In the subsequent Budgets, the Department's budget should be increased to 5 per cent of the overall Budget given the critical role the sector plays in the economy.

Overall, I thank the Budget and Appropriations Committee for giving us the chance to make our presentation. I also thank all the Members for attending the sessions of the Committee.

Thank you.

The Temporary Deputy Speaker (Hon. Mariru): Hon. Chairman, you took exactly nine minutes. So, you have now got the spirit. The next one is the Chairman of the Departmental Committee on Communication, Information and Innovation. You have the Floor.

Hon. Kisang: Thank you Hon. Temporary Deputy Speaker. I rise to support the Chairman of the Budget and Appropriations Committee on the Budget Estimates. The ICT sector is a major enabler of the Big Four Agenda. For instance, digitisation of houses and medical records will positively impact the pillars of affordable housing and universal healthcare.

Hon. Temporary Deputy Speaker, the National Insurance Fund (NHIF) is at an advanced stage in terms of rolling out universal biometric system and digitising all their records. Having a weather/climate warning system installed, farmers will be helped to make appropriate decisions. This will improve food security. In the recent past, the Meteorological Department has been able to give us timely and correct warnings on upcoming adverse weather conditions.

The Ministry of ICT is setting up two local assembly lines for laptops and other devices to manufacture devices for students. Currently, we have an assembly line at Moi University in Eldoret, Uasin Gishu County, and another one at Jomo Kenyatta University of Agriculture and Technology (JKUAT) in Kiambu County. Over the years, the Ministry suffered perennial budget cuts as well as delayed Exchequer releases. If you remember, in the last financial year, during the Supplementary Estimates I, the Budget for the Ministry of ICT was cut by 75 per cent. This hampered the performance of the sector. We have huge pending bills that have resulted from this as well as stalled projects. This hampered implementation of projects under the Ministry as well as delayed service delivery. Among the projects that have suffered the underfunding are the Konza Technopolis City, the completion of the Presidential Digital Programme and the Ajira Programme.

In the last Parliament, the Government promised to ensure that all our students in Standard One received the devices but as of this year, we have about 3000 schools that have not received the devices. In Year 2018/2019, the Ministry intends to review the ICT sector and the regulatory framework. It will also roll out 2500 kilometres of National Optic Fibre Backbone Phase II expansion to connect all sub-county headquarters, hospitals and public institutions. The Ministry will also implement the Digital Literacy Programme in 3000 remaining schools. As I had said, we intend to complete the Konza Complex Project Phase I and formulate policies to guide public communication and broadcasting. In the next financial year, the Ministry intends to restructure and reengineer the Kenya Broadcasting Corporation (KBC) to ensure that it competes like private broadcasting houses.

In Financial Year 2018/2019, there is a new policy that intends to have all ICT procurement in Government Ministries and State Corporations centralised under the Ministry of ICT, Communication and Information in order to ensure gain in economies of scale and optimise upon the shared services strategy.

Over the years, each of the MDAs have been buying licences for Kaspersky and other security systems. With this policy of centralising all the ICT services through the Ministry of ICT, the Ministry is going to save a lot of resources because of economies of scale. When you buy all these in bulk, the cost of buying licences comes down by close to 40 per cent. The Ministry will use the savings on projects that will assist in implementation of the Big Four Agenda.

The Committee on Information, Communication and Innovation is in charge of the Ministry of ICT. In the Financial Year 2018/2019, the Ministry of ICT has been allocated a total of Kshs31, 900,900,000. This is composed of Kshs4.8 billion meant for Recurrent Expenditure and Kshs27.04 billion meant for Development Expenditure. However, this is way below the Ministry's resource requirements. The Ministry had, in the Budget Policy Statement been allocated Kshs58 billion. There is a shortfall of 27 billion. This will negatively impact implementation of the projects by this particular Ministry. So, we will be seeking in future, particularly during the next financial year, to increase the allocations so that the Ministry may achieve its objectives.

I want to talk about other relationships between the ICT sector and the Big Four Agenda in terms of boosting the manufacturing sector. The Government intends to invest in key areas in ICT. A comprehensive ICT and relevant infrastructure will enhance the ease of doing business. For instance, the process of acquiring licences and work permits will be made faster. What the Ministry intends to do is to ensure that there is citizen portal, and that the Huduma centres are fully automated so that our people do not have to travel from far places to particular centres.

Another key issue that the Ministry intends to deal with is building of constituency innovation hubs. Later, in this particular financial year, we will be seeking additional funds so that at least each of our constituencies can have four innovation centres. This will help in creation of about 500,000 jobs for youth because we intend to enable the youth to look for employment online. They can do research online from their own constituencies instead of going to big towns to look for internet access. Internet access will be available in each of the wards in our constituencies.

I thank the Chairman of the Budget and Appropriations Committee for allowing us to get additional resources to complete the Konza Complex because there are many investors who have shown interest in investing in the Konza Technopolis. There are those who have shown interest in setting up hospitals. There are those who have shown interest in setting up universities. There is one particular Korean university which has already agreed to move to Konza to set up Kenya Advanced Institute of Science and Technology by October. The institute will specialise in postgraduate degrees in science and medicine.

With those remarks, I beg to support the Motion as I thank my Committee Members and the Budget and Appropriations Committee for this opportunity.

The Temporary Deputy Speaker (Hon. Mariru): Thank you for being within time. The Committee on Defence and Foreign Relations has sought the Chair's indulgence. So, we will revisit that Committee. Next is the Departmental Committee on Education and Research. They should be here. The Communication by the Speaker was very express that they need to be present. On that one, we are not as gracious to extend the indulgence. Can we have the Departmental Committee on Energy?

Yes, Mr. Chairman.

Hon. Gikaria: Thank you, Hon. Temporary Deputy Speaker, for giving us this opportunity.

First, I want to thank Members of the Departmental Committee on Energy for their tireless effort in scrutinising the budget of the various MDAs under their purview. As indicated in our Constitution, Parliament plays a big role in the budget-making process.

I will be raising a few issues towards the end. I will be seeking your indulgence as to how we are supposed to progress on matters where the Budget Policy Statement is brought before the House. We as Committees engage the Budget and Appropriations Committee. Parliament speaks and approves only for the National Treasury to slash the budgets after the BAC and Parliament has appropriated. So, I will seek some Communication from the Chair so that we can get a directive on how we are supposed to progress.

Following the referral of the Estimates to the Departmental Committee on Energy, the Committee held its meeting in Mombasa. It was to scrutinise the Budget Estimates for the Financial Year 2018/2019 for the ministries, state departments and agencies under its purview. This was after briefing by the Parliamentary Budget Office. After deliberation, the Committee made observations on Budget Estimates for the Financial Year 2018/2019 for the State Department of Energy and the State Department of Petroleum. I will start with the State Department of Energy.

The State Department has been allocated Kshs62 billion in the Financial Year 2018/2019. It signals a 19 per cent reduction compared to the current Financial Year which is 2017/2018 which stands at Kshs77 billion. This is a significant drop. It has dropped since 2013/2014 where we had Kshs111 billion. It has continued reducing over the years to the current Kshs62 billion. The Committee also noted this allocation is below the approved Budget Policy Statement ceilings of the Kshs73.15 billion. This is why I was saying we sit here and approve a very important statement in the name of the BPS only for us to get different figures during the actual Estimates.

The Power Transmission and Distribution Programmes are prioritised in the Financial Year 2018/2019. An allocation of Kshs47 billion out of the Kshs62 billion represents 76 per cent of the gross allocation to the State Department of Energy. At least 57 per cent of the total development budget in the State department is funded by our development partners. It is a very critical component in our development. Out of the 57 per cent of the total budget, we get our monies from our development partners. This scenario has the potential of compromising the absorption rate wherever the Government of Kenya counterpart funding is not provided.

It is also very important for us to note that much as we get so much from donor funding, the Government must play its part to give the counter funding. Whenever they do not give that, it means the donor development funding will never be released. This has really affected some of the projects that I am going to mention much later. To remedy this, the Committee is urging the Government of Kenya to ensure it prioritises provision of counterpart funding.

The State Department of Energy reported accumulated pending bills totalling Kshs22 billion with the Kenya Power and Lighting Company (KPLC) taking the lion's share of Kshs13 billion; the Kenya National Electricity Transmission Company (KETRACO) at Kshs3.9 billion; the Geothermal Development Company (GDC) at Kshs4.9 billion and the Kenya Nuclear Electricity Board (KNEB) at Kshs148 million. This is another issue that we need to raise in this House. There is no purpose of us starting some new projects when we have such huge pending bills which are never funded and money is ever given for the respective ministry to clear its pending bills. Pending bills hinder implementation of any subsequent financial year, in this case the 2018/2019 Budget. The bills form the first charge on the Budget. Provisions for funding to clear the pending bills and completion of ongoing projects should be prioritised. We have 13

ongoing projects which are, on average, at almost 75 per cent completion. Not even a single shilling was given in the Financial Year 2018/2019. You will understand that this brings a lot of holding charges and idle time because the contractors are already on site. They are charging us the holding charges and they are idle. So, it is important for the National Treasury to be considerate in matters to settle the pending bills.

The critical projects like the Last Mile Connectivity, connectivity subsidies, street lighting and connection of public facilities are grossly underfunded. These projects are key to enhancing a level of power connectivity to the common *mwananchi*. Again, I want to reiterate and thank BAC that we were able to be given some extra funding to cater for the Last Mile Connectivity, the transformer connectivity and the street lighting which brings a 24-hour economy. That was after our presentation to the Committee.

The Committee observed that the delay by the national Government in putting funds to improve transmission grid lines has aided in the following negative effects:

The high cost of power is due to the use of expensive Uganda Electricity Transmission Company Limited's power which is imported from our neighbours and by use of the Muhoroni Diesel Generators in western Kenya. This is where out of the 13 transmission lines which have not been funded and they are almost 75 per cent complete, we have almost six lines in western Kenya which are supposed to be connected to the national grid. The other effect is the unreliable power due to lack of sufficient transmission projects. Then, a high cost of overruns due to delay in progressing its transmission projects. It results in costly projects and donor unrest due to project delays. The African Development Bank is considering withdrawing funding to Kenya, particularly the Tanzania line due to project delays. We, as a country are paying such huge holding charges just because we are unable to complete the transmission lines.

The Committee also observed that there are 13 projects which are ongoing in which we required Kshs13.4 billion for way leave cost. However, only a paltry Kshs1.7 billion had been allocated in the 2017/2018 Financial Year. I thank BAC for reinstating almost Kshs4 billion for that purpose.

The State Department of Petroleum has been allocated Kshs3.5 billion for the Financial Year 2018/2019. Despite the Government's push to reduce dependence on kerosene, it is still a line of adulteration of fuel just because the difference of kerosene and diesel is so huge. As a Committee we are thinking of how this Government will increase the cost of kerosene to address this. Kenya is quickly losing its reputation as a transferring agent and a transport corridor for fuel on transit owing to the unnecessary delay on our roads. Again, we will ask the Ministry of Interior and Coordination of National Government and the Ministry of Transport, Infrastructure, Housing and Urban Planning to reduce the number of roadblocks so that there is free movement of trucks on our roads.

The Temporary Deputy Speaker (Hon. Mariru): Very well, Hon. Chairman. Well said. You know I will not add you more time because your neighbour will need more time, if I add you time. I can tell that your point is made. The Chairman of the Departmental Committee on Education and Research just appeared at the door when I was calling him. Next time I will not be as gracious as I am. You have the Floor, Hon. Chairman.

Next will be the Hon. Chairman for the Departmental Committee on Environment and Natural Resources. You are just 10 minutes away. The Chairman of the Departmental Committee on Education and Research the Floor is yours.

Hon. Melly: Thank you, Hon. Temporary Deputy Speaker. I want to thank the Chairman of Budget and Appropriations Committee and my committee, Departmental Committee on

Education and Research, for the good work we have done. The 2018/2019 proposed Budget for Education has five spending agencies. The Education Budget is Kshs439.1 billion. This is the second highest sector in terms of resource allocation in the Budget. Let me point out the importance the Government has placed in this sector. You need to note that this is a sector that assists in enabling the Big Four Agenda.

The various State agencies and their allocation is as follows: State Department of Early Learning and Basic Education has Kshs96.6 billion, State Department of Vocational and Technical Training has Kshs 10.3 billion, State Department of Research and University Education has Kshs100 billion, and State Department of Post Training and Skills Development has Kshs 1.9 billion. This is a very new department. The Teachers Service Commission (TSC) which is the largest among these departments has Kshs227 billion.

The various areas of spending which have been given priority in the 2018/2019 Budget include resources to support Free Primary and Secondary Education. One of the flagship projects of this Government is to ensure that we have free access to primary and secondary education at 100 per cent transition. In the last year, a number of schools were built through the infrastructure improvement funds. There is also a lot of money allocated to funding of the university education, management of teacher resource, research as well as expansion and improvement of Technical and Vocational Education and Training (TVET) institutions.

As part of our role in overseeing the Ministry in Budget matters, allow me to point out some of the key issues of concern which the Committee observed.

To achieve 100 per cent transition in secondary schools, we noted that we need enough teachers. In the last Budget, we were not allocated enough money to recruit teachers. In fact, in this Budget we have an underfunding of Kshs10 billion. Over and above what we got in this Financial Year, we still need over 20,000 teachers.

The Committee noted that the school feeding programme is doing well; however, we have a number of communities who were moving across especially in the Arid and Semi- Arid Lands (ASAL). We need the Ministry to do more, by trying to make sure that they meet these communities and are able to follow them so that these children can go to school. It has been noted in some areas in West Pokot, student population increases when food is given to students in those particular schools. We need to put a lot of emphasis on this.

The Committee also noted that the Ministry has begun capturing learner's details in various levels of education through education management and information systems. This is a commendable job. The education management and conventional system has enabled the Government to really weed out ghost students. Now money can be given to schools based on students having their own numbers and their own names not based on population and data given by teachers. This is a commendable work that has been happening.

The expansion of the TVET infrastructure has been going on, but I want to note and commend Hon. Members in this House because this is a programme that has been running in all the constituencies with the support of Members of Parliament. A number of Members of Parliament have given out Kshs10 million as seed capital. They also provided land, electricity and water. But in this case, in the last Parliament, there was spending which was cut but this has been reinstated. We will now have the 60 which are already complete and the 70 which funds have been allocated for and they will now be completed. The money that we requested and added to this particular sector is to recruit enough teachers whom we call trainers so that those particular institutions are operational.

On the expansion of TVET infrastructure, the Committee observed that the first phase that is constructing 60 teachers training institutes (TTIs) has been completed and the second phase is on course. However, there are few TTIs under phase one which is not 100 per cent complete due to challenges between the Ministry and the NG-CDF. Certain constituencies have not given out their Kshs10million or they have not connected to those areas. So, I want to urge this House and Members to do their part. The Ministry and the NG-CDF management need to coordinate to ensure that these projects are complete and operational. A conditional grant of Kshs2billion was allocated to counties to support the village polytechnics which this House approved under the Division of Revenue Act. This is the second financial year that the grant is being allocated and no impact has been felt on the ground, in terms of rehabilitating the village polytechnics. This is under the Division of Revenue and this House needs to note the impact of that even in the next Appropriations Bill.

Going forward, this House needs to really evaluate whether we need to continue allocating these resources to county governments. As a Committee, we will embark on fact finding mission on selected counties to see how this allocation has been utilised and report back to the House. On university education, the Committee observed that most of the public universities are not well funded and are struggling to stay afloat or operational. This is a problem compounded by the criteria used to allocate resources. However, the Committee had to make very hard budget decisions to assist some of these affected universities. In fact, a number of universities have found it difficult to operate. Some of them cannot attract students because of the constraints they have. A thorough review of the funding criteria for universities is required. I think as we speak we have what we call the differentiated unit cost. As a country, we need to have a serious conversation on whether we require the many public universities in view of the constrained resources.

The Committee also noted that some institutions such as the Commission for University Education (CUE) at the National Commission for Science, Technology and Innovation (NACOSTI) are involved in income generating activities. However, some of their revenues have not been indicated in Appropriations-in-Aid. So, the Committee went ahead to reduce spending, especially in some of these agencies where they have not indicated how much they have collected in their A-in-A. That is part of the budget-making process.

We also made a decision to reduce the budget for these two entities, especially the CUE and NACOSTI. The Committee having reviewed the budget for education sector, made a policy and a financial recommendation that the Ministry will pick up to ensure the intended outcomes of education are achieved. By the end of this year when the Kenya Certificate of Primary Education (KCPE) and the Kenya Certificate of Secondary Education (KCSE) results are released we will expect that the performance of students is going to reflect the expenditure in the sector. That is why we are asking the concerned to ensure that the teaching and the learning process going on is being supervised and implemented as intended. Also, this year, the Ministry has allocated enough funds for education, quality assurance sector, so that officers are able to move around noting very well that the society has become complex and a number of issues have risen. We are aware of what happened at one of our schools in Nairobi. That is why we are telling the leaders in this sector to ensure that they move around and provide the required resources and supervision for the schools.

Also, on this is that for us to have quality education, we need to add more money to the TSC so that we recruit enough teachers for the 100 per cent transition and to also make sure that...

The Temporary Deputy Speaker (Hon. Mariru): Hon. Chairman, your time is gone. We shall now have the Chairman of the Departmental Committee on Environment and Natural Resources.

Hon. Mbiuki: Thank you, Hon. Temporary Deputy Speaker. The Budget Estimates for the Financial Year 2018/2019 were submitted and tabled in the National Assembly pursuant to Article 221 of the Constitution and Section 37 of the Public Finance Management Act, 2012. In line with the provision of Standing Order 235, the Committee scrutinised the Budget Estimates for the MDAs under its mandate. For the FY 2018/2019 allocations for the MDAs under the purview of the committee...

The Temporary Deputy Speaker (Hon. Mariru): Order, Chairman. What is the point of order, Hon. Wanyonyi, Member for Kwanza?

Hon. F.K. Wanyonyi: Hon. Temporary Deputy Speaker, I think it is only fair that although we have allocated 10 minutes to chairmen of various committees, this House must be informed fully. With your discretion, please, add more minutes to those chairmen who are making presentations. It is very important for this country. I know we passed 10 minutes but you can see that some of the presentations are quite lengthy. Therefore, we cannot just say it must be 10 minutes. So, I think it is in order for us to give these people more time to be able to make presentations. For example, the education chairman was trying to give us more information and I was taking note of the same. Now he has been cut short. I will not be able to get all that information. It is very important that we give them more time.

Thank you.

The Temporary Deputy Speaker (Hon. Mariru): Member for Kwanza, your point is very valid, but this House yesterday did make a decision that every chairperson will get not more than 10 minutes. So, the decision is made and it may not be revised at this time. However, it would be good to get an opportunity to access the written presentations from the chairpersons. I am sure Members will be keen. They may not be keen in all sectors but there are Members who are keen on certain sectors. It would be good for them to access the written presentations from the chairs so that they can go through them, some of which will form part of their presentations when we open it up to Members. The House did make a decision that it is 10 minutes maximum and the Chair is unable to revise that at this time.

Hon. Mbiuki: Thank you, Hon. Temporary Deputy Speaker. The following are the allocations for the MDAs under the purview of the Committee on Environment and Natural Resources:

1. Ministry of Water and Sanitation has been allocated a total of Kshs41.2 billion;
2. Ministry of Environment and Forestry – Kshs16.1 billion;
3. Ministry of Tourism and Wildlife where there is the Wildlife Conservation and Management Programme – Kshs7.5 billion; and,
4. State Department of Mining – Kshs1.6 billion.

The Committee, having scrutinised and reviewed the above proposed allocations, observed that the sector which is a critical enabler to the Big Four Agenda is not adequately funded. The water sector is funded heavily by donors hence the concentration of water projects in towns and urban centres. The Government, therefore, needs to enhance funding towards rural water projects which do not attract donor funding.

The National Water Harvesting and Storage Authority (NWHSA) has a national mandate for bridging the gap between demand and supply of water, which is in line with Vision 2030. There is need, therefore, to operationalise the mandate of the Authority as envisaged in the Water

Act, 2016. At the same time, we are seeking to ensure that the NWHSA is properly reformed and its mandate is properly undertaken.

The Northern Water Services Board covers a large area of the North Eastern, part of Rift Valley and the Upper Eastern. Since it does not attract donor funding for projects, the Committee recommends initiation of government-funded water harvesting projects to improve access to safe water in the northern dry areas, for which I really want to thank the Budget and Appropriations Committee for approving a further funding of Kshs200 million to the board to take care of the dry areas.

Under the Ministry of Environment and Forestry, the Committee observed that the country has a forest cover of about 7 per cent, which is under threat of degradation. As such, the Kenya Forest Service Protection Unit is grossly underfunded as well as understaffed, with a ratio of one forest ranger covering 1,000 hectares of forest against the best practice of one forest ranger to 400 hectares. To protect the current forest cover effectively, the Service requires an additional 1,500 forest rangers, which unfortunately has not been provided for. The President, while launching the national tree planting day 2018, emphasised that the country must meet the 10 per cent tree cover by 2022. However, the current seedling production is below the expected 360 million per year required to raise the tree cover to 10 per cent by 2022. In order to achieve the President's target, additional financing is required. You will realise that the Government came up with a taskforce which made the recommendation that the country needs to achieve the 10 per cent tree cover by 2022. Unfortunately, we are having four financial years and this being the most critical financial year in which we need to have adequate funding, we have extremely low funding to the tune of only Kshs28 million against the expected Kshs360 million.

With the effect and impact of climate change, there is need to invest in better and modern weather forecasting and early warning system to give the Kenya Meteorological Department the capability to give accurate information on future erratic weather patterns to ensure effective adaptation and mitigation measures, especially to avoid the damages caused by the flooding experienced in the country.

The State Department of Mining, with a budgetary allocation of Kshs1.6 billion out of which the development budget is only Kshs509 million, is grossly underfunded. The department is currently contributing 0.9 per cent of our GDP, which is expected to increase by 10 per cent by 2030. The mining sector is also the highest potential revenue earner for the country and its target revenue collection is Kshs2.5 billion for the FY 2018/2019 from royalties. The Committee noted that with enhanced funding the State department has the potential to achieve the 10 per cent GDP target before the year 2030. An allocation of Kshs2 billion, which is a loan from the China Exim Bank, to undertake the national airborne geographical survey, was withdrawn from the State department's budget. Carrying out its activities is one of the flagship projects under the Vision 2030 and it is very crucial because it will help map out potential minerals in the country. As a Committee, we are at a loss because this particular process of the airborne geographical survey was started during the era of CS Najib Balala and the Government has gone ahead and secured more than Kshs7 billion funding from the Exim Bank. Unfortunately, the same is not being factored in the budget.

There is need to allocate Kshs200 million for the purchase of land for medical and hazardous waste recycling facility. The Government of Japan may withdraw the support of Kshs1.2 billion to construct the facility once the Government of Kenya acquires the land. To be able to manage the hazardous medical waste, the Kenya Government has secured Kshs1.2 billion

and all it is expected to do is to provide Kshs200 million to be able to purchase the land and the facility will be put up by the Japanese Government.

Unfortunately, the same had not been provided and that is what we are asking the National Treasury to provide so that the country can benefit from the grant by the Japanese Government. After reviewing and scrutinising the budget the Committee reallocated funds from non-performing projects to more competing needs. The Report submitted to the Budget and Appropriations Committee has detailed information on additional requests and reallocations by the Committee.

A major reallocation done by the Committee is the reduction of the Kshs.450 billion from the Green School programme which is a non-performing project and allocating funds to carry out water harvesting activities to improve access to safe water, rehabilitation and supply. We realised the Green School Programme was started in the 2014/2015 Financial Year. We are all aware that there has been a serious accountability issue with this particular programme. It was in the wisdom of the Departmental Committee on Environment and Natural Resources that the coming Financial Year 2018/2019 the same be discontinued because even the Principal Secretary could not explain how these funds were utilised. We expect the Kshs.450 billion to be reallocated to other deserving sectors and especially the water sector. I hope the same has been captured by the Budget and Appropriations Committee.

The Kenya Meteorological Department under the Ministry of Environment and Forestry are spending bills of more than Kshs.427.8 billion most of which was as a result of the budget cut. Another major pending bill is of Kshs.500 million by Maua Water and Drainage Project under the Ministry of Water and Sanitation. The project was completed, however, the pending bill needs to be settled to enable the contractor to hand over the project. The Ministry of Water and Sanitation have been doing a commendable job in providing water in urban areas. The issue of the last mile water connectivity in the rural areas surrounding the urban centers has not been successful. Therefore, we are calling upon further funding to the sector to ensure that the last mile water connectivity becomes successful. At the same time we have several dams which have stalled in the country including Umma Dam in Kitui and Badassa Dam in Marsabit County among others which have not been provided for under this particular Budget.

With those few remarks, I want to take this opportunity to thank the Budget and Appropriations Committee under the able leadership of *Mhe.* Kimani Ichung'wah and the entire Committee for the good work they have done of capturing the recommendation of various committees when coming up with the final Budget. I beg to support.

The Temporary Deputy Speaker (Hon. Mariru): Before I give to the next Chair, allow me to recognise some schools in the Speaker's Gallery and Public Gallery. We have Lwak Girls Boarding School, Rarieda Constituency in Siaya County; Kinderworld Academy, Lang'ata Constituency in Nairobi County; Kanga High School, Rongo Constituency in Migori County and Greenyard Junior School, Kajiado North Constituency in Kajiado County. They are all welcome to follow the proceedings of Parliament this morning and afternoon.

The Departmental Committee on Finance and National Planning sought the indulgence of the Chair and we will come back to them shortly. We will now have the Chair of the Departmental Committee on Health.

Hon. (Ms.) Chege: Thank you, Hon. Temporary Deputy Speaker. I take this opportunity to welcome the students who are here today because they are our future leaders. The Departmental Committee on Health as part of the scrutiny of the 2018/2019 Budget Estimates for

the Ministry of Health held lengthy deliberations with the ministry officials and afterwards made a number of recommendations both on policy and budgetary allocations.

The Ministry of Health has a budget of Kshs.90 billion in the Financial Year 2018/2019 which is an enhanced allocation compared to this current financial year which was at Kshs.78 billion. Most of these allocations are conditional grants to the county governments. As you are all aware health is devolved. Also there are allocations to various parastatals in the sector such as Kenyatta National Hospital (KNH), Kenya Medical Research Institute (KEMRI), Moi Teaching and Referral Hospital (MTRH), and Kenya Medical Supplies Agency (KEMSA) among others. With this budget allocation the Ministry will be implementing four key programmes with the following allocations in addition to administration costs: Preventive and promotion of health care at around Kshs.9.9 billion, national referral and specialist services at Kshs.40 billion, health research and development at Kshs.6.8 billion, general administration and planning at Kshs.9.1 billion and health policy, standards and regulations at Kshs.23.8 billion.

Some of the key projects that the Ministry will implement will include the continuing programmes of leasing of MES, purchase of CT Scans, allocation of conditional grants to Level 5 hospitals, establishment of cancer centres where the intention is by the end of this financial year we should have four cancer centres and an improvement in the following years. We have free maternity strategic interventions, vaccines and immunisations and several donor funded interventions aimed at supporting the universal health care agenda amongst others. As a Committee we deliberated and some of the observations on the Budget in which decisions have been made are as follows:

Some of the key budgetary allocations in the Ministry of Health are conditional grants to county governments. Most of these conditional grants relating to health functions going to the county governments take time to reach the intended health facilities since the funds must first pass through the County Revenue Fund before reaching the health facilities hence hampering service delivery. This means, if money for health is sent to the county and it is not ring-fenced then the county can choose to use it for other functions like roads or other popular functions which they think are better than health. This is a matter of concern to us as a Committee and thus this House needs to think of ways in which the relevant public finance laws can be amended. This will allow conditional allocations to be dispersed directly to the health facilities for fast service delivery, while at the same time put in place accountability systems to ensure that these allocations are spent well as intended.

There are also very huge historical investments in the health sector which are aimed at supporting the overall goal of universal health care. Some of these investments include the leasing of medical equipment and purchase of CT-Scans. As a Committee we will follow up and monitor the implementation of these investments to ensure that the benefits are felt in the country. We interacted with the Budget and Appropriations Committee while they did public participation and some of these equipment are functioning very well apart from six or seven facilities where they have not been used at all.

My Committee will carry out inspections on these projects and will take drastic budgetary measures, if what is on the ground in terms of implementation does not reflect the huge budget allocation to this project. A point to note is that they have also proposed an additional 21 facilities in addition to the 98 that were covered in the last financial year. My Committee also observed that the military has entered into an exchange programme with the Cuba Government on the area of medicine. The programme is elaborate where apart from what the public knows about doctors coming from Cuba and some of them landed last night, Kenyan

doctors will also be trained in Cuba. There is an enhanced programme on control of malaria in this country and also training that will benefit our students at KMTC. In spite of potential benefits of skills transfer the Ministry should also consider hiring some of the specialties who are local doctors to augment this effort.

My Committee is also concerned about the slum upgrading project that has not been well implemented and the portable clinics that are lying unutilised partly because of lack of support from the identified counties meant to benefit from these projects. These issues were raised by the previous Committee. Upon the visit by the Committee to Mombasa where the containers are we found them in good shape. We noted that there are several other counties which have expressed interest of uptake of this project and the allocation of these clinics need to be demand-driven where counties willing or have expressed interest are allocated the portable clinics at their cost.

We have also noted that the Ministry of Gender, Children and Social Development had an interest in these containers where they wanted to use them as gender-based violence clinics to take care of victims. Therefore, we have advised the Ministry to liaise with the counties that are willing to take these containers and also the Ministry of Gender, Children and Social Development instead of those clinics just lying in Mombasa unutilised. My Committee also noted that the slum upgrading project is part of an active Ethics and Anti-Corruption Commission (EACC) investigation hence the budgetary allocation to it was not feasible. That is why we advised the Ministry to take it up. In view of this my Committee recommended a reallocation of the budget for this project to rehabilitation and improvement of infrastructure across all the KMTC facilities in the country.

There are those that have indicated on having new KMTC campuses. This is part of what is going to benefit the enhancement of our human resource in the health sector. At the same time, we will be able to benefit or achieve the Universal Health Care (UHC) programme

The Committee noted that the Ministry has put efforts especially towards the support of universal healthcare as part of the Big Four Agenda, and has launched pilot programmes in four counties. The outcome of this pilot programme will guide future rollouts in other parts of the country. We are also aware that as we roll out this pilot programme for UHC, issuance of the NHIF card is not just enough. We need this and we are in collaboration and we are talking with the Ministry such that the counties where those pilots are done should be done on merit where they have enough personnel and medicine. So, we urge the Ministry not just to roll out the programme for the sake of rolling it out, but we should also reward the counties that are seen to really support the healthcare.

The Committee heard that the Ministry as at 31st March 2018 had a pending bill of Kshs121,871,425. All this was as a result of Exchequer releases. Even through the Ministry, we will treat the pending bills as first charge in the subsequent financial year. This will have an effect of distorting the Budget as finances will be channelled away from the programmes to settle the bills. I also urge Hon. Members of this House, we have huge pending bills owed to KEMSA by various counties. It is sad that some of the governors have actually...

Hon. Ouda: On a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Mariru): Sorry, honourable Chair! What is it Hon. Ouda Odhiambo? You are raising a point of order. What is it?

Hon. Ouda: Hon. Temporary Deputy Speaker, the Hon. Member is a bit too fast. Can she go a bit slowly so that we can hear what she is saying? She is too fast for us, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Mariru): What do you mean, Hon. Ouda?

Hon. Ouda: She is reading too fast.

The Temporary Deputy Speaker (Hon. Mariru): All the other Members look pretty comfortable with that speed. You got a response from another Member that, that is how girls who have gone to school read. I suspect that was on a light note. Hon. Oudo, do not take that seriously. I think it was on a light note. Honourable Chair, please proceed but take keen interest on what Hon. Oudo is saying. We will recoup your one minute.

Hon. (Ms.) Chege: Hon. Temporary Deputy Speaker, I am sorry. The honourable Member needs to understand that now he is in the National Assembly. He was used to the environment of the County Assembly. So, the speed might be a little bit higher but I know he will adjust with time. Again, that is on a light note.

Hon. Temporary Deputy Speaker, I was saying that the Members of this House need to take note that many of our counties owe KEMSA a lot of money. So, some of them have actually opted to run away from procuring from KEMSA and going to the local chemists. I urge Members to follow up their counties and urge them, especially the governors, to pay up what they owe to KEMSA. They purchase medicines at a cheaper price compared to the village chemists. If this money is paid, KEMSA will be able to facilitate and make sure that the country has enough medication. As a Committee, we will diligently play our oversight role especially on the implementation of the Ministry's key projects to ensure that the taxpayers get the much needed quality health services and also to ensure that there is value for money.

I thank the BAC. They really engaged us. I think for the first time in the history of this House, we have a budget that Members can be able to scrutinise and go through and see what they are benefiting from, from the county level to the constituency level and almost to the ward level. I really commend the Budget Committee for a job well done. I support the Report by BAC.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Mariru): Next is the Chair of the Justice and Legal Affairs Committee.

Hon. Cheptumo: Thank you, Hon. Temporary Deputy Speaker. The Legislature has made great strides in the oversight of the Budget since the establishment of the new Constitution. Standing Order No. 235 of the National Assembly provides that the Estimates, upon being laid in the House, are deemed to be committed to the various committees. In accordance with that Standing Order of the National Assembly, my Committee has the mandate to oversee all matters pertaining to constitutional affairs, administration of law and justice, including the Judiciary, public prosecutions, elections, ethics, integrity and anti-corruption and human rights. In light of this mandate, the Committee met the agencies to discuss the Budget. This sector plays a vital role in the creation of an enabling and stable business environment that will attract investment from both local and international investors, for job creation and investment by ensuring that there is democracy, respect for rule of law and cohesion in the nation. So, it is a very important sector. The sector aims to ensure effective and accountable leadership, promote a just, democratic and secure environment with strong governance structure to achieve inclusive economic, social and political development. So, during engagements with the agencies under the Committee, we made the following observations:

There is an allocation of Kshs1 billion to the Attorney-General's Office for the National Justice Restoration Fund to implement the recommendations of the Truth, Justice and Reconciliation Commission (TJRC) Report. However, the challenge we have with this allocation is that there is no legal framework and regulations on how those funds should be utilised. That is

one observation which is critical. Kshs1 billion is available, but we do not have a legal framework to implement and apply that amount.

The Committee also observed that there are ongoing suits against the Government with a financial risk to the tune of Kshs769.9 billion. Those are ongoing cases against the Government. In addition, there are awards against the Government pending payments to the tune of Kshs115.7 billion. The total of this is that we are exposed as a country to a tune of Kshs886 billion. Those pending bills in terms of the court awards is as a result of State agencies not promptly paying settlement of claims, but abandoning the same with the Attorney-General's Office.

The Committee further observed that the Judiciary was in the process of constructing various courts so as to extend functional courts to all the 47 counties. We have a total of 72 courts now being constructed across the country. Under Section 24 of the Political Parties Act, the Government is required to allocate 3 per cent, which is actually Kshs2.7 billion of the national Government revenue of 2017/2018. The BAC allocated only Kshs371 million to this.

We have to comply with the law, particularly Section 24 of the Political Parties Act, and there is a court order that was issued in respect of this payment. There is need to avail Kshs2.7 billion for the Political Parties Fund.

The Committee made policy recommendations. As a matter of policy, the Government should consider setting up a fund because we need to deal with the issue of Kshs886 billion pending bills. How will the Government deal with that particular outstanding bill? We should come forward with a procedure to deal with that huge burden. We propose that the Government sets up a fund to sort out those bills. We should come up with measures that will enable the Government to raise money to pay those outstanding bills. In addition, the Committee further recommended that in setting up the fund, the Budget and Appropriations Committee should consider effecting budgetary cuts against State agencies that lost those cases and have claims to settle in order to raise funds for the kitty, subject to their contributions to the awards against the Government. This will discipline institutions and Government departments so that they can ensure that when they execute their functions, they do not become careless and end up exposing the Government.

There were also financial recommendations. There was a proposal to reduce the allocation of Kshs1 billion to the Office of the Attorney General for the National Justice Restoration Fund by Kshs500 million. This is proposed to be spread across the needs of other agencies under this sector. There is a proposal to reduce the allocation to the Judicial Service Commission by Kshs100 million. The Committee's decision is informed by lack of adequate justification by the Commission for the significant increase in its budget for 2018/2019 Financial Year.

The Budget and Appropriations Committee, in its wisdom, reduced the budget for the Judiciary by Kshs2.5 billion. There is Kshs1.6 million donor funds from the World Bank and the balance is the Government's contribution. This has the effect of delaying completion or construction of court houses. This is an area where, in the Supplementary Budget to come in the course of this year, we need to make provisions so that we avail funds for the completion or construction of court houses.

There were a number of proposed increments. For the Commission, we requested Kshs34 million. The Committee allocated only Kshs10 million, leaving a balance of Kshs24 million. We also requested a funding of Kshs75 million for the Independent Electoral and Boundaries Commission (IEBC), but the Committee did not approve it. There are several agencies under our sector which do not have enough funding for their functions in the coming financial year.

Lastly, is the issue of an additional allocation of Kshs30 million for the Kenya National Human Rights Commission (KNHRC) in the Budget for the 2018/2019 Financial Year for acquisition of field vehicles, and Kshs27 million for settling of pending bills amounting to Kshs3.6 million. The Committee approved the Kshs3.6 million but did not allocate the other figure of Kshs27 million.

In conclusion, I appreciate that this was a well-discussed Budget. We appeared before the Budget and Appropriations Committee and shared the needs of our sector. They took into account some of the areas. Areas where they have not been able to avail funds still have a big requirement, especially in the sector of justice where we need to create an enabling environment.

The Temporary Deputy Speaker (Hon. Mariru): Thank you, Hon. Chairman. The next one is the Chairperson of the Departmental Committee on Labour and Social Welfare. Where is the Chair? You have the Floor.

Hon. (Ms.) Korir: Thank you, Hon. Temporary Deputy Speaker. I am standing in for our Chair, who is away on official duty.

The 2018/2019 Budget Estimates were submitted and tabled in the National Assembly pursuant to Article 221 of the Constitution and Section 37 of Public Finance Management (PFM) Act, 2012. The Committee scrutinised and reviewed the Budget Estimates for the 2018/2019 Financial Year for the MDAs under its purview, which was presented as follows:

1. The allocation to the State Department of Labour for total gross Recurrent Expenditure and gross Development Expenditure was Kshs2.2 billion;
2. The allocation to the State Department of Social Protection was Kshs31 billion;
3. The allocation to the State Department of Public Service and Youth Affairs National Empowerment Programme was reduced from Kshs25.7 billion to Kshs18 billion;
4. The allocation to the State Department of Gender for total gross Recurrent Expenditure and gross Development Expenditure was in the tune of Kshs4.5 billion;
5. The allocation to the State Department of the Development of ASALs was Kshs6.3 billion.

The Committee deliberated on the several issues affecting the MDAs and made financial and non-financial recommendations to improve their performance. Those are well-captured in the reports submitted to the Budget and Appropriations Committee. However, allow me to reiterate some of the very critical issues.

Despite the State Department of Labour playing a critical role in the country's development, it has not been accorded two budgetary considerations to enhance its responsiveness, efficiency and effectiveness in addressing emerging issues that are facing the labour sector. The State Department has not been financed with regard to all tripartite statutory meetings which will assist in alleviating industry unrest as well as signing bilateral labour agreements with key labour destinations to ensure protection of fundamental rights of Kenyan workers in those countries.

Under the Youth Empowerment Programme, the Committee, after further scrutiny and deliberation, cut the NYS budget and reallocated funds to more competing needs within the sector. The Committee also raised concerns with regard to NYS engagement in commercialisation, especially in regard to the purchase of commuter buses and recommended halting the process.

The mandate of the National Gender and Equality Commission is to monitor, facilitate and advise the integration of the principles of equality and freedom from discrimination in all national and county policies, laws and administrative regulations in other public and private

institutions. The Commission has, therefore, not been able to audit Government institutions with respect to compliance with the constitutional requirements on gender due to lack of funds.

The State Department of the Development of ASALs has not been adequately financed to carry out activities towards enhancing resilience against drought among communities in ASAL counties. The State Department needs enhanced resources to enable it to move to the relief of affected residents. The Committee, having scrutinised and reviewed the 2018/2019 Budget Estimates for the labour and social welfare sector, made the reallocation to critical areas, some of which are included in the Report of the Budget and Appropriations Committee, while others were not.

The Temporary Deputy Speaker (Hon. Mariru): What is it, Hon. Omboko?

Hon. Milemba: Thank you, Hon. Temporary Deputy Speaker. I have been working very closely with the Chairlady here. We reduced the National Youth Service budget like she stated. I do not want to repeat. I want to inform the House that...

The Temporary Deputy Speaker (Hon. Mariru): What is your point of order, Hon. Omboko?

Hon. Milemba: My point of order is that there are forces from above within the Government which are trying to influence the Budget and Appropriations Committee and us to retain that budget. I look forward to the House...

The Temporary Deputy Speaker (Hon. Mariru): Order, Hon. Member. You are contributing. You will get a chance to do so.

Hon. Milemba: Thank you.

The Temporary Deputy Speaker (Hon. Mariru): I want to remind you that we are giving the Chairpersons of committees an opportunity to contribute. After they are done, we will give the opportunity to other Members to contribute. You will get a chance to contribute on the Budget.

Hon. Milemba: Thank you, Hon. Temporary Deputy Speaker. I am a whistle blower.

The Temporary Deputy Speaker (Hon. Mariru): You will get a chance to contribute, Hon. Member. The next one is Chair of the Departmental Committee on Lands.

Hon. (Ms.) Nyamai: Thank you very much, Hon. Temporary Deputy Speaker. The Departmental Committee on Lands is one of the committees that have worked with a lot of dedication to go through the Budget. We have also worked very closely with the Budget and Appropriations Committee. I must say that our experience with the current Chair of the Budget and Appropriations Committee has been very interesting. We engaged and made presentations on behalf of our ministries. We collaborated very well. So, I would like to commend the Chair for the good work.

The Departmental Committee on Lands was constituted to oversee two agencies: the Ministry of Lands and Physical Planning and the National Land Commission (NLC). The Committee held consultative meetings with the Ministry and NLC in order to understand their projects and programmes. The meetings were preceded by a briefing by the Parliamentary Budget Office on the Budget of the Financial Year 2018/2019. I would like to thank the Budget Office for that. The Budget expenditure for the Lands Policy and Planning Programme in the Ministry of Lands and Physical Planning for this year is Kshs6.020billion. It comprises of Kshs2.6billion for recurrent expenditure and Kshs3.3billion for capital expenditure. The Ministry of Lands and Physical Planning plans to implement only one budget programme which is Lands Policy and Planning Programme. The objective of the Ministry and the Programme is to ensure sufficient and efficient administration and sustainable management of land resource.

It is also the purpose of the Ministry to ensure that there is development and planning that is done adequately to ensure reforms in the land information management systems, land use and settlements. It should ensure that those programmes are implemented. The Ministry's requirement for development in Financial Year 2018/2019 was Kshs2.6billion. It is important to note that the Ministry has received Kshs6 billion. I would like the Departmental Committee on Lands to be on record. If you look at the programmes that the Ministry of Lands and Physical Planning would like to implement and bearing in mind that it is a revenue generating Ministry which generates about Kshs10 billion to the National Treasury, it is under-funded. So, we are speaking on their behalf. If it is possible, their budget should be increased. They give Kshs10 billion to the National Treasury, but they do not meet all the programmes that they are implementing. For them to be encouraged to collect more money, then it is good for their budget to be increased. That is just a comment.

This Ministry is interested in renovation of land registries, which is critical in supporting the digitisation process where survey and maintenance of national land and international boundaries will ensure peaceful co-existence within the local communities and also our borders. In addition, funds are highly required for land control boards. I would like to note that they had been awarded Kshs45 million but, with deliberations, it was reduced to Kshs12 million, which is extremely low for them to operate in 47 counties. The Committee had recommended Kshs95 million but this was not possible. The Committee and the Budget and Appropriations Committee take note of it so that this can be implemented.

The Ministry's medium term expenditure programmes, projects and activities for implementation in Financial Year 2018/2019 include processing and registration of 300,000 title deeds. I would like to comment that about two weeks ago, our Government gave 50,000 title deeds to people in Nairobi County, which is a big step. They look forward to produce 350,000 title deeds for the country. This is why we are saying that it is important to pump more money into titling and registration of land.

There is also development of the land value index. We will table the Land Value Index Bill this afternoon, which is very important. A lot of Government money has been going to compensation. In some cases, the money is almost the level of implementation of the project. When this national Land Value Index Bill is implemented, it will reduce the money that goes to compensation. I talked about the digitisation of land registries earlier. This will give investors confidence in our country, reduce timelines for registering property and protect investors and property owners from fraudulent land transactions which are happening in the country. There is also construction of land registries. For the Ministry to digitise its systems, it needs to construct and renovate buildings. This is also one of the budget lines that require funding.

There is also implementation of the National Special Plan and National Land Use Policy to ensure optimal and sustainable use of land. The matter of resettlement is a matter that touches on all of us as people's representatives. We have thousands of squatters in our country who have not been resettled. Resettlement is quite low compared to the number of squatters that need land. We have thousands of squatters in various places like in Rift Valley, Coast is most affected; Lamu, Kilifi, Taita Taveta, Mombasa, Trans-Nzoia and many other parts of the country.

I also want to talk about the infrastructure improvement of the Kenya Institute of Surveying and Mapping, so that it can provide capacity building and provision of technical support to counties in physical planning. We have realised that counties are not giving enough funding to capacity building and support to physical planning is done. If the counties do not plan,

even if the national Government plans, it is impossible to get the kind of structures that are required.

The NLC got an allocation of 1.275 billion. Its requirement was Kshs5 billion. The Committee is convinced that the programmes that they are implementing are very important and they need to be funded. I have already engaged the Chair of the Budget and Appropriations Committee concerning Kshs300 million that was meant for digitisation. The Committee had proposed that this money be pushed to titling and other activities that work towards it. However, this money has remained with the Ministry of Information, Communications and Technology (ICT). It is a matter of concern for the Committee. We had suggested that it should go to the Ministry because the Committee is very clear that land information management system must be one. The NLC had asked for Kshs300million and the Ministry had asked for it. So, we agreed that this Kshs300million should be used for titling. This has not happened. I hope that in future, we will work together and convince the Budget and Appropriations Committee that, that money is important.

There are gaps in NLC. One is that they need money for historical land injustices which is a matter that has been raised for many areas. They need Kshs250 million which has not been provided. The Kshs300 million has also not been provided. It was meant to come up with a comprehensive Government programme for registration of title deeds of land throughout the country.

There is also a deficit in physical emoluments. There is also a gap in staff pensions. I know the matter of pensions comes up in almost all committees, but it is important that we raise it so that it goes on record.

The land sector is an enabler of the Big Four Agenda and this is the reason why we are asking it be facilitated more. It is going to facilitate the acquisition of land for housing, standard gauge railway, parks and industrial parks, and provision of the legal framework that is needed to cut the cost of leasing to attract private and foreign investors. It is also going to provide the legal framework to halt further sub-divisions of land, some of which are not helping. If land is funded, as a supporter of the Big Four Agenda, it is going to unlock land for development through various measures such as establishment of a land bank.

The Temporary Deputy Speaker (Hon. Mariru): Madam Chair, your point is made. Let us now have the Chairman of the Departmental Committee on Sports, Culture and Tourism.

Hon. (Dr.) Munyaka: Thank you, Hon. Temporary Deputy Speaker. At the outset, I thank the Chairman of the Budget and Appropriations Committee and its membership together with the Members of the Departmental Committee on Sports, Culture and Tourism for the work they did during the budget cycle.

The Departmental Committee on Sports, Culture and Tourism oversees three spending agencies, which include the Department of Sports, State Department of Heritage and the Ministry of Tourism and Wildlife. Despite challenges of delay in disbursement of funds by the National Treasury, the agencies have recorded good performance. This is attested by the high absorption rates and the reduced number of pending bills therein.

Given the current goal of Government to implement the Big Four Agenda, the Committee is pleased to inform the House that tourism, culture and sports are major enablers of the enormous agenda. Their activities generate income with which food security, universal healthcare, boosting the manufacturing sector and affordable housing can be implemented.

In the Financial Year 2017/2018, the sector experienced huge budget cuts of up to 75 per cent in the Supplementary Estimates I and II. This has adversely affected the service delivery in the agencies. Most projects stalled and most bills were left pending.

In the State Department for Sports, the budgetary requirement for the Financial Year 2018/2019 totaled Kshs5,638,900,000 and Kshs1,745,300,000 for Recurrent and Development Expenditure, respectively. However, the budgetary provision for the recurrent and development expenditure currently stands at Kshs1.5 billion and Kshs525 million respectively. This shortfall in allocation is likely to occasion pending bills. As it exists today, the Department of Sports has a pending bill of Kshs1.119 billion due to the projects for African Nations Championship (CHAN) stadia and regional stadia. This has an adverse effect on completion of those stadia which are very necessary for sports in Kenya.

For the State Department for Heritage, in the Financial Year 2018/2019, it has been allocated a total of Kshs3,799,900,000 which comprises of Kshs2,948,300,000 recurrent expenditure and Kshs851,600,000 development expenditure. This is against the requirement of Kshs9,219,200,000 of which Kshs5,729,800,000 is required for recurrent expenditure and Kshs3,489,400,000 for development expenditure. This shortfall is also likely to occasion delay in the service delivery and timely implementation of projects in that Department.

Recently, the Ministry of Tourism was lumped together with wildlife sector. In this Ministry, the Committee oversees one programme known as Tourism Promotion and Development. The resource requirement for this programme in the Financial Year 2018/2019 is Kshs13,747,000,000, of which Kshs5,612,000,000 is meant for recurrent expenditure and Kshs8,115,000,000 is meant for development expenditure. However, only Kshs5,288,000,000 has been allocated to the programme where Kshs2,668,000,000 is meant for recurrent expenditure and Kshs2,620,000,000 is meant for development expenditure.

Tourism being a very productive sector of the economy and a major foreign exchange earner and enabler to the attainment of the Government's Big Four Agenda and a contributor to the economy, there is need to revamp the sector in order to realise the unexploited potential.

We support the Report. Thank you.

The Temporary Deputy Speaker (Hon. Mariru): Chair, Trade, Industry and Co-operatives. You have the Floor, Hon. Kanini.

Hon. Kanini Kega: Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity. Allow me, on behalf of the Committee, to appreciate the invaluable assistance of your office and that of the Clerk of the National Assembly in the scrutiny and consequently in the deliberations regarding the 2018/2019 Estimates. The Departmental Committee has the mandate to oversee the State Department of Industry, State Department of Co-operatives and State Department of Small and Medium Enterprises, which we call trade, support value addition and raise the manufacturing sector share of GDP to 15 per cent. That will accelerate economic growth, creation of jobs and reduction of poverty.

Arising from the mandate and upon the commitment of the Estimates to the Committee, the Committee held several meetings for the scrutiny and deliberations of 2018/2019 Estimates for the three State Departments. The Committee generally observed that the format of presentation of the Estimates of the State Department differs with the BPS. Just to pick a few. The State Department of Trade has been changed to the State Department of Small and Medium Enterprise among other issues.

On the gross proposed allocation to the State departments, the State Department of Industry got the lion's share at Kshs10.3 billion, the State Department of Small and Medium Enterprise got Kshs2.7 billion and the State Department of Co-operatives got Kshs1.3 billion.

Allow me to begin with the State Department of Co-operatives which the Committee did not realise any major issues in the Estimates. Upon review of the submissions, the Committee observed that despite the fact that Sacco Societies Regulatory Authority (SASRA) is the regulating body and is projected to collect levies, they still had a huge deficit in the recurrent budget.

Therefore, the Committee recommended a reallocation of Kshs30 million from the allocation of the New Kenya Cooperative Creameries' development expenditure to SASRA's recurrent expenditure since New KCC is commercially viable and can fill the deficit. It was a very good engagement because it was a mutual agreement with the two entities. They agreed that New KCC would cede Kshs30 million shillings to SASRA. It is one of the major recommendations.

The Committee faced challenges in deliberating and making recommendations on the proposed allocation to the other two State departments. The CS, in his submission, was not in agreement with the proposed allocation to the various entities and deliberately proposed new allocations as annexed in our Report to the Budget and Appropriations Committee. This was unusual because, ordinarily, CSs would come to defend the budget that has been presented to us by the National Treasury. Unfortunately, in this case, the CS created a complete deviation from what was presented on the Floor of the House. The presentation called upon us, as members of the Committee, to go to the ground to verify what the CS proposed is in line with what he said. That is why we came up with a raft of changes to the Budget. As if that was not enough, when we were doing the presentation to the Budget and Appropriations Committee, another letter came from the National Treasury. It was a communication from the Cabinet saying that another Kshs4.3 billion had been removed from the State Department to be taken to Defence. We were the only Committee that was to appear before the Budget and Appropriations Committee twice because we had to go and reconsider the new recommendations that came from the National Treasury. The letter proposed a reduction of the allocations to the various State agencies to zero. Those included the Kenya Industrial Estates (KIE), KIRDI and NG-CDF. We did not find it right to reduce the amount of Kshs1 billion that was allocated to KIE to zero. The KIRDI has a huge building in South B, whose construction has stalled for many years. It is about 63 per cent complete. Its budget was reduced from Kshs600 million to zero. We have the constituency industrial centres across the country. Their budget was reduced from Kshs700 million to zero. We sought to know why the Cabinet made that decision. Unfortunately, the CS was not in the country. We did not get any reason for the proposal of that reduction. More so, Kshs4.3 billion was reduced from a State department which had gotten Kshs10 billion.

However, following the communication, the Committee convened a meeting to discuss the request by the National Treasury. We agreed that the proposal to reduce Kshs2 billion from the State Department was okay. That was meant to purchase land in Naivasha for Special Economic Zones. We got information that maybe the Government will get alternative land. We were okay with that. However, the request for reduction of the Kshs2.3 billion was declined by the Committee, taking into consideration the major role played by the State Department in achieving the Big Four Agenda. Industry is one of the Big Four Agenda. This is the time that the Government should also match the talk with the walk. We need to put money where our talking is.

For the Department of Small and Medium Enterprise, that is straight. The Committee observed that the construction of Kubik building in Parklands has stalled for so many years. This is a building that I think everybody knows about. It is next to K1 Club in Westlands. That building has been there for over 12 years. It is 95 per cent complete. It just needs about Kshs102 million. Unfortunately that building has stalled for so many years. The Ministry is renting offices. They are spending almost Kshs200 million renting offices but, if that building is completed, we will for sure know that we will be saving the taxpayers' money.

Further, the completion of Kubik will save the State Department over Kshs200 million that we are currently paying to Telkom. For this reason, the Committee recommended to reallocate the Kshs200 million from construction of constituency centered projects to Kubik for the completion of the office block. However, as I said earlier on, even the Kshs200 million that we were recommending to move from constituencies has now been raided.

Regarding the State Department of Industry which has the largest mandate amongst the three departments, the Committee was concerned that there was no linkage in terms of the budget proposal between the National Treasury and the State Department of Industry and this has led to major recommendations by our Committee, which is given in the annexure.

The Big Four Agenda envisages an increase in revenue from textile industry from US\$350 million to US\$2billion. To create 500,000 cotton jobs and 100,000 new apparel jobs by the year 2022 requires increased production of cotton. This calls for technical service on cotton production and value addition. In this regard, the Committee recommended for the increase in allocation towards contracted technical service on cotton production by Kshs200 million.

Hon. Ouda: On a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Mariru): What is it Hon. Ouda Odhiambo.

Hon. Ouda: Thank you, Hon. Temporary Deputy Speaker. I just wanted to say that Hon. Kanini Kega is so passionate about the Report. At least, he is reading. He is not casual like what I have seen before. So, Hon. Kanini Kega, congratulations from me.

The Temporary Deputy Speaker (Hon. Mariru): Order, Hon. Odhiambo. Hon. Kanini we shall recoup your few seconds.

Hon. Kanini Kega: Thank you, Hon. Temporary Deputy Speaker. To improve the Kenya global ranking in doing business, the business index indicates that from our current position of 92, to the top 50 and further lower the cost of doing business for both domestic and foreign investors, we require re-engineering and remodeling of business environment indicators. For this reason, the Committee recommended for the increase in allocation towards the ease of doing business by Kshs400 million.

There is no doubt that the Numerical Machining Complex - you remember the *Nyayo* car - there is a lot that is happening in that industry. Unfortunately, it has not been funded. In the interest of time, we recommend an increase of Kshs150 million. There is need to meet the specific needs of the investors in the textile industry and, therefore, the importance of development of textile hub that is projected to attract, at least, 100 textile investor firms and projected to create over 200 jobs.

The Temporary Deputy Speaker (Hon. Mariru): Hon. Kanini Kega, the passion and what you are saying has been registered by Hon. Ouda. Nevertheless, I am afraid your slot is gone. If you sought one minute, I will be obligated to add one more minute to the next Chair and we will not finish.

Hon. (Ms) Odhiambo-Mabona: On a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Mariru): Use your microphone.

Hon. (Ms.) Odhiambo-Mabona: Thank you, Hon. Temporary Deputy Speaker. If you have a Member who is passionate and has been promoted by Hon. Ouda, can you have it in your heart to add him two minutes? It is not every day that you find Members that are so passionate about the work that they do. Hon. Kanini Kega has been recognised as being very passionate about presenting his Report.

The Temporary Deputy Speaker (Hon. Mariru): I do not know why Members on my left are so passionate in seeking indulgence of the Chair on behalf of Hon. Kanini Kega.

Hon. Kanini Kega: It is the spirit of the handshake.

The Temporary Deputy Speaker (Hon. Mariru): Hon. Kanini Kega, now that you have stood up, you have 10 seconds to finish.

Hon. Kanini Kega: Hon. Temporary Deputy Speaker, we recommended Kshs420 million to be given to Athi River Textile Hub. The Committee is cognisant of the importance of the Kenya Industrial Estates, the Kenya Leather Development Council and KIRDI in the promotion of industrial growth and overall national development. However, the Committee is concerned that the proposal may not also be absorbed, especially for KIE who are given Kshs1 billion.

The Temporary Deputy Speaker (Hon. Mariru): Hon. Kanini, you cannot be short. Now the people on my left are very happy and clearly they are not seeking more time for you.

Chair of Transport, Public works and Housing.

Hon. Losiakou: I thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity. I also want to join the other Members to thank my colleague for being very passionate about this. So that I spend my 10 minutes properly, I thank you for giving me this opportunity and I want to present the report of the Transport Committee.

In this Committee, we oversee four State departments as follows:

(i) State Department of Infrastructure has received Kshs180 billion. For purposes of simple understanding, the Department is about roads basically.

(ii) State Department of Transport is going to receive, if Members approve, Kshs100 billion. This money is distributed amongst big projects that I am going to mention. Rail transport is going to receive Kshs74 billion. This is from Nairobi to Naivasha for what is normally known as SGR. In the same Department, we have marine transport which has been allocated Kshs12 billion. Basically, this money will go to the Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Corridor Project. That is the conclusion of the development of the three berths in Lamu to facilitate our crude oil from Turkana to be transported.

(iii) State Department of Maritime Affairs has been allocated Kshs1.6 billion.

(iv) State Department of Housing, Urban Development and Public Works has been allocated Kshs32 billion.

Having said that, the following are our humble observations as a Committee:

(a) Out of the Kshs180 billion that is going to roads, I want to thank the Budget and Appropriations Committee for seeing it fit to allocate more money, because our initial budget was Kshs170 billion. This was forgetting one element and Members and the people of Kenya will agree that there is a problem of roads all over the country. We had rains; we had blessing, but that blessing came with casualties. This year, it rained in all parts of the country. Therefore, I made a presentation on behalf of the Committee and the Ministry to ask for Kshs18 billion which was going to be used to reconstruct our country. The Committee was fair enough to us and was able to allocate to us Kshs8.7 billion. What we had recommended and we are now seeking approval from this House is that every constituency should receive Kshs30 million of this money

so that Members who have problems, Members who according to Article 95 of the Constitution should address issues affecting the people... We sought to answer Members who have been asking a lot of questions. In most constituencies bridges have been damaged.

Therefore, I am asking Hon. Members to agree with us that Kshs.30 million should be given to every constituency, and this totals to about Kshs.8.7 billion. However, the analysis from this Ministry is that this amount is only for reconstructing the country to get back to normal. However, we have the normal construction of roads and low volume Class C roads and the 10,000 kilometers roads which we were promised. Out of those, the ones which are ongoing are 6,000 kilometers. Therefore, we have a deficit of 4,000 kilometers and the reason is because we do not have funds.

My Committee, in consultation with the Ministry, realised that for the people of Kenya to get the roads in good time, we should ask this Parliament to add that department Kshs115 billion so that they can complete the roads in good time. Many people are asking us where this money will come from, but I want to plead, convince and persuade the Hon. Members. We had brought a proposal that the Department of Infrastructure through the Treasury be allowed to issue an infrastructure bond of Kshs200 billion. We have looked for resources as a Committee to securitise the bond such as fuel levy. This country is collecting about Kshs65 billion from fuel levy every year. If we can tie only Kshs10 billion from the fuel levy to manage and service our bond, then I want to assure the Members that we will deliver the 10,000 kilometers in four years. That is our recommendation.

Observation No.2 and recommendation on the road sector which we are asking this House to agree with us is this: We are proposing the annuity regulation to be amended. This will enable the annuity fund collect about Kshs39 billion to be used by the Ministry to fund other infrastructural programmes. This is apart from the Public Private Partnership (PPP) that was being targeted. Secondly, the State Department of Transport has purposed... Let me start with the State Department of Housing and Urban development.

As you know, this is where the one million houses are domiciled. However, we have a budget of Kshs11 billion this financial year in the Budget which has been presented.

As the Hon. Members will agree with us, the Kshs.11 billion is supposed to target urban centres in the Kenya Urban Programme. One problem we have is that the Kshs11 billion in the Budget will be spent to improve infrastructure, sewerage, electricity and urban roads in 59 urban centres in this country. Hon. Members and Kenyans are asking which 59 urban centres those are. I want to tell them they are in every county apart from Nairobi and Mombasa counties because of their status. We want to upgrade other small urban centres to look like Nairobi or Mombasa in future. We saw two problems facing this project and one is the survey from the Ministry and particularly Kajiado County, where they forgot a very big town which is the bedroom of Nairobi - Kitengela. Our proposal was that the Ministry should review the 59 urban centres. How can you forget Kitengela when you are talking about Kajiado County? Is that not a small city and a bedroom for Nairobi? So, the Ministry should consider that and review that programme.

Number two; we were being informed as a Committee that the money is going to be transferred to what we call urban committees in the counties. We asked ourselves where those urban committees are. They are nowhere in this country and Hon. Members will bear me witness that those urban committees have not even been established. Therefore, we are saying that this money shall be spent at the source, which is at the Ministry. Because those urban committees are not in place, the counties can participate in designing the programmes, submit them to the Ministry and then the Ministry can proceed in terms of implementation.

I will go to the State Department of Transport. Of course, I have mentioned the Standard Gauge Railway here. Let me go on record and also for the people of Kenya to understand that we are not only targeting up to Naivaisha as it is for this financial year. We are targeting other parts of the country. So, that needs to be on record so that the people of Kenya do not misunderstand our targets. However, we are also recommending to that department that they should consider the airstrips. This time it is mainly in western region. Next year they will look at North Eastern and also North Rift.

I will now move to the State Department of Maritime Affairs. This is our last born and we ask this House to listen to us. We are proposing that they should be added some resources so that they can then bring them to normal.

I conclude by thanking BAC. From where I come from, that is, West Pokot County, BAC has recognised and given us an extra Kshs100 million from public participation. I register my appreciation on behalf of the people of West Pokot. Because I am the only Pokot now speaking here, on their behalf, I thank the Committee. I thank you, Hon. Temporary Deputy Speaker, for listening to me. I convince Hon. Members to pass this Budget. I thank you.

The Temporary Deputy Speaker (Hon. Mariru): Hon. Members, you will notice that it is already 1.00 p.m. We have one more Committee, the Departmental Committee on Finance and Planning. We shall not take the Committee now, but the Chairman will become the first person to speak in the afternoon. So, the Chairman of Departmental Committee on Finance and Planning, we shall push your slot to the afternoon when we resume at 2.30p.m.

ADJOURNMENT

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

The House rose at 1.00 p.m.