

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Tuesday, 28<sup>th</sup> March, 2017

The House met at 2.30 p.m.

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

PRAYERS

QUORUM

**Hon. Speaker:** Ring the Quorum Bell.

*(The Quorum Bell was rung)*

Hon. Members, we now have quorum. We can start business.

### COMMUNICATION FROM THE CHAIR

#### DELEGATION FROM PARLIAMENT OF ZIMBABWE IN THE SPEAKER'S GALLERY

Hon. Members, I wish to introduce to you a delegation of Members of Parliament of the Portfolio Committee on Justice, Legal and Parliamentary Affairs, and the Thematic Committee on Human Rights, from the Parliament of Zimbabwe. The delegation, which is seated in the Speaker's Gallery, comprises the following Members:

|                                   |   |                           |
|-----------------------------------|---|---------------------------|
| Hon. (Rtd. Gen.) Michael Nyambuya | – | Leader of the Delegation; |
| Hon. Chief Milton Ntabeni         | – | Member;                   |
| Hon. Judith Mawire                | – | Member;                   |
| Hon. Violet Moeketsi              | – | Member;                   |
| Hon. Bheki Sibanda                | – | Member;                   |
| Hon. Priscilla Mushonga           | – | Member;                   |
| Hon. Innocent Gonese              | – | Member;                   |
| Hon. Ziyambi                      | – | Member;                   |
| Hon. Tafanana Zhou                | – | Member;                   |
| Hon. Mayor Wadyajena              | – | Member;                   |
| Mr. Johane Gandiwa                | – | Assistant Clerk;          |
| Mr. Shepherd Manhivi              | – | Committee Clerk;          |
| Mrs. Precious Mudzvova            | – | Committee Clerk; and,     |
| Mr. Nesbert Samu                  | – | Programmes Coordinator.   |

The delegation is in the country to exchange ideas and share experiences with their counterparts in the Departmental Committee on Justice and Legal Affairs, and other stakeholders in the justice sector, on issues relating to justice and human rights.

On my own behalf and that of the House, I wish to welcome them to the National Assembly of the Republic of Kenya, and wish them fruitful deliberations during their stay in the country.

#### PRESENTATION OF BUDGET HIGHLIGHTS 2017/2018

Hon. Members, pursuant to the provisions of Standing Order No. 241, on pronouncement of the Budget highlights and revenue raising measures before the Budget and Appropriations Committee, the Cabinet Secretary of the National Treasury will present to the National Assembly the Budget highlights and revenue raising measures for the national Government, for the Fiscal Year 2017/2018 on Thursday, 30<sup>th</sup> March, 2017 at 2.30 p.m. This is, therefore, to inform the House about the event and invite all Members to be present as it will be an ordinary sitting of the House. In addition, Members are requested to remove any vehicles parked at the front courtyard – popularly referred to as “Ministers’ Parking” – which is currently reserved for the House leadership. This is because the area will be used for reception after the delivery of the Budget highlights by the Cabinet Secretary. Your cooperation in this regard will be highly appreciated.

I thank you.

#### PAPERS LAID

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

The Draft Political Parties (Registration) Regulations 2017 and the Explanatory Memorandum.

The Draft Political Parties (Political Parties Liaison Committee) Regulations 2017 and the Explanatory Memorandum.

The Office of the Registrar of Political Parties Report of the meeting between that office and a delegation of party representatives.

The Report of the Auditor-General on the Financial Statements in respect of the following institutions for the year ended 30<sup>th</sup> June 2015 and the certificates therein:

- (i) Lang’ata Constituency; and,
- (ii) South Mugirango Constituency;

The Public Procurement Regulatory Authority Report to Parliament on the performance of the special groups (youth, women and persons with disability) under the 30 per cent preference and reservation scheme for the period between July and December 2016, and the six annexes thereto.

The Annual Report and Financial Statements of the National Land Commission (NLC) for the Financial Year 2015/2016.

Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Members, the first three reports, which come from the Office of the Registrar of Political Parties, are subsidiary regulations. They are referred to the Committee on Delegated Legislation for consideration, and for the Committee to report back to the House as appropriate.

Chairperson of Committee on Delegated Legislation.

**Hon. Cheptumo:** Thank you, Hon. Speaker. My Committee has already gone through those regulations and considered them. The report is ready. We will give the notice of Motion tomorrow in the morning, because we have already engaged the Independent Electoral and Boundaries Commission (IEBC). We have considered what you have committed to my Committee. We will give the notice of Motion tomorrow.

**Hon. Speaker:** Hon. Members, the Chairperson of the Committee on Delegated Legislation had approached me. These regulations are very important for all of you because the five sets of regulations were developed under the Elections Act as amended in January 2017. It is, therefore, important that Members take copies of those reports when they are tabled here tomorrow morning, familiarise yourselves with the reports and the regulations for possible debate or discussions on Thursday afternoon. Therefore, Hon. Cheptumo does not have to give notice of Motion today. He will give it tomorrow in the afternoon after tabling the Report.

Hon. Members, before we proceed, allow me to also recognise, seated in the Speaker's Gallery and in the Public Gallery, students and pupils from the following institutions:

1. Tengecha Boys High School from Bureti Constituency, Kericho County.
2. Gatunyu Primary School from Gatanga Constituency, Murang'a County.
3. Mabanda Primary School from Gatanga Constituency, Murang'a County.

They are all welcome to observe the proceedings in the National Assembly.  
Next Order!

## MOTIONS

### CONSIDERATION OF SENATE AMENDMENTS TO THE DIVISION OF REVENUE BILL, 2017

THAT, the Senate Amendments to the Division of Revenue Bill (National Assembly Bill No. 2 of 2017) be now considered.

*(Debate concluded on 23.3.2017)*

**Hon. Speaker:** Order, Hon. Members! I think it is fair that I explain to the House that I am aware that the House deliberated the Report of the Budget and Appropriations Committee relating to their consideration of Senate Amendments to the Division of Revenue Bill. As a House, those who participated are aware of what you discussed. Therefore, when I put the Question, the House must be aware. Do I allow Hon. Musyimi, the Chair of the Budget and Appropriations Committee, to brief the House for the benefit of those that were participating in other representative roles?

**Hon. Members:** Put the Question.

**Hon. Speaker:** Is it the mood of the House that everybody understands? Let me allow Hon. Mutava Musyimi, the Chairperson, to explain and then I put the Question.

**Hon. Musyimi:** I am much obliged, Hon. Speaker. It will be a great disservice if we did not say no as a House. This is because the idea that we can give more money to the county governments, people who are misusing what we have already given, is totally immoral and unacceptable. We must say no.

I thank you, Hon. Speaker.

**Hon. Kaluma:** *(off record)*

**Hon. Speaker:** From where he sits, the Member for Homa Bay Town says that, that amounts to incitement. Of course, there is even a greater issue which I think Hon. Mutava Musyimi did not go to. Whichever way you vote, you can only prolong the process of mediation. There is a Supplementary Order Paper. The Order that follows after this would be for you to go to the Committee of the whole House to consider that. However, whether you go to the Committee of the whole House or not, mediation is inevitable.

Hon. Members, I, therefore, put the Question.

*(Question put and negatived)*

Hon. Members, the net effect is that we do not proceed to the next Order. So, for the convenience of the House, business appearing as Order No. 9 is dropped. Therefore, we go to the next Order.

*(Order No. 9 dropped)*

REPORT OF THE DEPARTMENTAL COMMITTEE ON DEFENCE  
AND FOREIGN RELATIONS ON THE MARRAKESH TREATY

THAT, this House adopts the Report of the Departmental Committee on Defence and Foreign Relations on the Marrakesh Treaty to facilitate access to published works for persons who are blind, visually impaired or otherwise print disabled, laid on the Table of the House on Thursday, December 1, 2016, and pursuant to Section 8 of the Treaty Making and Ratification Act, approves the ratification of the Marrakesh Treaty to facilitate access to published works for persons who are blind, visually impaired or otherwise print disabled.

*(Hon. Dido on 16.3.2017)*

*(Resumption of Debate interrupted on 23.3.2017)*

**Hon. Speaker:** I call upon the Mover to reply. On this, debate had been concluded. What remained was for the Mover, Hon. Katoo, the Chief Whip of the Majority Party, to reply.

**Hon. Katoo:** Thank you, Hon. Speaker. On behalf of the Chairman of the Departmental Committee on Defence and Foreign Relations, which I am also a member, I wish to appreciate the contribution of hon. Members to this Report. I am sure their comments will go into adding value to the Marrakesh Treaty as negotiated by the ministry. I am very sure those inputs will add value to that Treaty. Therefore, I beg to reply.

*(Several Hon. Members entered the Chamber)*

**Hon. Speaker:** Order, Hon. Members! Those who are making their way, order! Please take your seats. We must transact business. Hon. Members, the Mover has replied and I confirm that there is quorum in the House. I, therefore, put the Question.

*(Question put and agreed to)*

Next Order!

### MOTION

COMMITTEE OF SUPPLY: APPROVAL OF BUDGET  
ESTIMATES FOR FINANCIAL YEAR 2017/2018  
AND ALLOCATIONS TO RESPECTIVE VOTES

**Hon. Speaker:** Let us have the chairperson, Hon. Mutava Musyimi.

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

THAT, this House adopts the Report of the Budget and Appropriations Committee on the consideration of Estimates of Revenue and Expenditure for Financial Year 2017/18 and the Medium Term, laid on the Table of the House on Thursday, March 23, 2017 and pursuant to the provisions of section 39 of the Public Finance Management Act, 2012 and Standing Order 235(6) and (7)-

- (i) approves an amount totaling Ksh.1,633,384,660,371 made up of Ksh.642,897,327,706 to be utilized to finance Development Programmes and Ksh.990,487,332,665 to be utilized to finance Recurrent Operations in respect of the Annual Budget for the National Government, the Judiciary and Parliament during the financial year;
- (ii) allocates the funds for the Financial Year 2017/18 to the respective Votes in accordance with First Schedule; and,
- (iii) approves the proposed decreases, increases and re-allocations as contained in the Second Schedule.

On behalf of the Members of the Budget and Appropriations Committee and as required by Article 221 of the Constitution as well as Section 39(2) of the Public Finance Management Act, it is indeed my pleasure to present to this honourable House my Committee's Report on the 2017/2018 Financial Year and the Medium Term Estimates of Revenue and Expenditure for the Judiciary, National Government and Parliament which were submitted to the National Assembly on the 31<sup>st</sup> January, 2017, 15<sup>th</sup> February, 2017 and 2<sup>nd</sup> March 2017 respectively.

As you are aware, the early submission of the Budget Estimates was to allow for timely deliberations and approval of the Budget, taking into account the preparations for the August 2017 General Election. This being an election year, its implementation, as we can well imagine, will face many risks. Some of these include an uncertain business environment which will undermine investor confidence as well as increased elections-related spending which will mainly drive consumption and fuel inflation thereby destabilizing the macro framework. Furthermore, there is a possibility that a new Government may want to realign the Budget to reflect its clearer manifesto which may lead to the introduction of a Supplementary Budget or two. This risk may affect the implementation of the Budget with considerable impact on the expected outcome, particularly on the economic growth and development. It is for this reason that the Committee has not allowed some proposals in some sectors to increase the Budget as this may cause further strain on the national resource. We have therefore chosen to be fairly conservative so as to factor

in the necessary flexibility of the new Government. We all hope that that Government will be led by President Uhuru Kenyatta.

The Committee is pleased to note that over the last five years, the National Treasury has improved substantially in ensuring that adequate information is presented to this House for purposes of approving the Budget. However, in some instances, some of the information that is provided is still inadequate. For example, though the National Treasury provided a memorandum which gives an explanation of deviations from the National Assembly Budget Policy Statement (BPS) resolutions, they did not provide adequate explanation on why they did not adhere to some of these resolutions. I wish to remind this honourable House that when we passed the BPS Report in December last year, we committed to reducing the fiscal deficit to 6 per cent. Over the last few years, the Government's fiscal strategy has been quite expansionary with most of the expenditure geared towards infrastructure investment. This has contributed to a significant increase in the country's debt levels. If the increasing debt is not put to check, it will continue to create inflexibility in the Budget and reduce the resources available for both the present and future generations. This debt matter, though adequately addressed by the President in this House, is something that we should always put our fingers on so that we do not overspend.

It is also important to note that as the Government continues to focus on infrastructure investment, other key productive sectors of the economy, particularly mining and agriculture requires new impetus in thinking, creativity and imagination. As we have said before, the kind that we have seen in education under the leadership of Dr. Matiang'i.

I also wish to point out that Public Private Partnership Programme (PPP) which has been in place for the last few years has not been captured in the estimates of expenditure. The PPP projects carry the risk of becoming contingent liabilities and will one day put a claim on the nation's revenue. If we are not careful, this could be a ticking bomb.

In finalising the last Budget, my Committee recommended that PPP projects should be audited and verified. We reiterate yet again, that audit and verification of PPP projects be done for accountability and monitoring purposes. Given the significance of development expenditure in driving economic growth and performance, my Committee is concerned by the large number of key development projects competing for limited resources. This has led to thin distribution of the resources that are available. These projects though important in unlocking development are sometimes being implemented rather thinly and at a rate whose completion is below what is acceptable.

My Committee notes with concern that this Budget is anchored on economic growth projections of more than 6 per cent in 2017. As already observed, being an election year, there are inherent risks that may hinder economic growth of these proportions, particularly with regard to investor confidence. Furthermore agricultural performance is still largely tied to the rain and given the on-going drought as well as uncertainty with regard to adequate amounts of this year's rainfall; output is unlikely to increase significantly enough to drive the desired growth. Some key capital projects have also been delayed and the benefits may therefore not be felt in the coming financial year.

As we seek our new mandate, we need to give some hope to Kenyans, to not only improve the economy but also create peace and hope, especially among our young people. I therefore through you humbly implore and encourage; and take this opportunity to urge my honourable colleagues to engage in peaceful campaigns and to uphold the image of a united country, though an elections period. In reviewing this Budget, my Committee received a lot of

input from members of the public as well as additional submission and memorandum from other bodies. For this, we are truly grateful. Noting the importance of having a people responsive Budget, the Committee has taken these submissions into account in the finalisation of the final Budget. Public participation is budget requirement of the law but we believe it is very important and we need to make sure that, that participation is not in vain and this year we have made sure that it is, indeed, not the case.

Having considered the above matters, my Committee proposes the following policy recommendations;

One, in order to strengthen the link between programme-based budget framework and itemised budget, there is a review of the set indicators, key outputs and targets in order to make them realistic and achievable. This will facilitate monitoring and evaluation of the Government programmes. Importantly, we need to make the medium term expenditure framework a reality.

Two, in order to ensure efficiency in utilization of resources, the National Treasury should minimize in year substantial revisions from approved allocations in terms of supplementary budgeting. There is, therefore, the need to ensure that the Ministries improve the utilization of approved allocations, especially of external funds already mobilized and committed. This will minimize the associated opportunity cost in form of delayed benefit to our people fiscal risks as well as contingent liabilities.

Three, my Committee reemphasizes the need to put in place an accountability framework in order to enhance transparency and accountability. The National Treasury should therefore begin in July this year to publish online, Exchequer releases by programme and by vote in order to ensure predictability and effective monitoring of budget implementation.

Four, the Government should implement and operationalise the Presidential Taskforce on Parastatal Reforms; the taskforce that was chaired by Mr. Isaac Awuondo and Hon. Abdikadir Mohamed. This should be done in order to rationalize State agencies and reduce duplication of functions.

Five, the National Government should invest heavily in provision of certified seeds alongside fertilizer subsidy for efficiency and better results. The fertilizer subsidy initiatives which the Government started financing in 2008 has not translated to improved agricultural production due to the quality of seeds as well as their adaptability to various climatic conditions.

Six, no new projects should be started except externally funded projects and all key flagship projects under Vision 2030. The MDAs should focus on fast-tracking completion of key ongoing projects and ensure that new projects are considered within the context of constrained Exchequer support. In this regard, under the State Department of University Education, it is recommended that no new projects should be started. Instead, the money should be redistributed within the vote to complete ongoing projects.

There is concern over the level of pending bills in all MDAs. The Government should therefore come up with a process of auditing and identifying those that can be paid and start paying them using available resources. In addition, there is need to institute a process of commitment control whereby no commitment should be entered into in the absence of resources.

My Committee recommends a review of the purchase of police vehicles as well as the contracts for the Managed Equipment Services (MES) project. Further, we need to undertake a performance audit on the implementation of the MES programme to ascertain value for money.

Finally, there is concern that some key provisions in the Budget, such as provision for sanitary towels, are not available for our children. My Committee therefore recommends that

provision of sanitary towels to school girls should be implemented through the National Government Affirmative Action Fund for effective monitoring and evaluation.

The Budget and Appropriations Committee also proposes the following financial recommendations:

With respect to reallocations, many Departmental Committees proposed reallocations which were based on their assessment of needs and were also based on the discussions that these Committees held with the various MDAs. After a careful review, the Budget Committee has approved and recommended, to the largest extent possible, to this honourable House, those shown under the Second Schedule as hereby attached. In addition, we have agreed with the Departmental Committee on Transport, Public Works and Housing to reverse the proposed reduction of funds of the Lamu Port-South Sudan-Ethiopia (LAPSSET) Corridor Project and subsequent redistribution of resources, as LAPSSET is a key Vision 2030 project.

With respect to additions, my Committee recommends that the Independent Electoral and Boundaries Commission (IEBC) be allocated Kshs200 million to cater for pending bills. This will be met from the allocation of public hearings under the Ministry of Finance. My Committee also recommends that the Lake Basin Development Authority be allocated Kshs1 billion to cater for the pending bills arising from the construction of the Lake Basin Mall Complex.

With respect to the inter-votary allocations, my Committee agrees with the Departmental Committee on Education, Research and Technology to shift Kshs470 million from the Ministry of Education, Science and Technology to the National Government Affirmative Action Fund for the purchase of sanitary towels for schools girls. This will enhance efficiency in the implementation of this programme through a framework under the affirmative action fund.

With respect to the Judiciary, my Committee recommends that the budget of the Judiciary be within ceiling as given by the National Treasury. The Judiciary should therefore limit their expenditure as follows:

1. Recurrent expenditure – Kshs13,432,535,272, which includes an additional Kshs50 million for the Transport Licensing Appeals Board and Kshs70 million for the National Council for Law Reporting.
2. Capital spending – Kshs4,128,900,000, having been adjusted downwards by Kshs70 million to be allocated to the National Council for Law Reporting.

With respect to the Parliamentary Service Commission and the National Assembly, that is Vote 2041, my Committee recommends that the capital budget for PSC be limited to Kshs3,150,000,000 achieved through the deferment of land acquisition for the Centre for Parliamentary Studies and Training (CPST). The net recurrent for this vote should be limited to Kshs11,726,950,001, achieved through adjusting of domestic travel allowances paid as part of salary as well as the deferment of Kshs500 million for monitoring and evaluation until a regulation framework is fully agreed upon.

With regard to Vote 2042, National Assembly specifically, my Committee recommends that the funds allocated to this vote be limited to Kshs21,166,033,200 by adjusting personnel emoluments to be in line with the annual growth rate of the 2016/2017 baseline.

Finally, the Budget and Appropriations Committee recommends that this House resolves to:

- (a) Approve the Report and recommendations of the Budget and Appropriations Committee on the Budget Estimates for the national Government, Judiciary and Parliament for the Financial Year 2017/2018;
- (b) Approve that Schedule 1 as amended and included in today's Order Paper forms the basis of the Appropriations Act, 2017/2018; and



(c) Approve that the National Treasury finalises the required Budget document as per the Public Finance Management Act on detailed Budget Estimates.

I would like to take this opportunity to thank all the Departmental Committees and all the members of those Committees who have participated in these meetings as they have overseen the various MDAs. We take this opportunity to thank them for their hard work, especially coming at a time when other political undertakings were on. Party considerations and the need to get re-elected notwithstanding, they showed a lot of dedication and commitment to make sure that Parliament lives up to its budgetary oversight role.

We are also grateful, as we said earlier, to members of the public who took their time to attend the public hearings and present their submissions to Budget and Appropriations Committee.

Lastly, Hon. Speaker, my Committee is grateful to you, the Clerk of the National Assembly and the Parliamentary Budget Office (PBO) for the unwavering support received as we sought to discharge our mandate of reviewing the Budget Estimates for 2017/2018 Financial Year and the medium term.

Last but not least, I take this opportunity to thank the members of my Committee for their hard work, dedication and sacrifice, and faith in my leadership at times that were not always very easy. I also take this opportunity to thank this House for finding it fit to ask us to serve in this Committee on their behalf. For that, we are truly appreciative and do not take that privilege for granted.

With those few remarks, I beg to move. I request the Rt. Hon. Aden Duale, the Member for Garissa Township, the Leader of the Majority Party of this House, the indefatigable, tireless gentleman from that wonderful part of the country, to second this Motion.

**Hon. Speaker:** Hon. Duale.

**Hon. A.B. Duale:** Thank you, Hon. Speaker. I really want to thank the Chair of the Budget and Appropriations Committee for stating the fact. All that he has said about me is the truth and nothing but the truth. I would like to begin by appreciating the relentless effort taken by the Budget and Appropriations Committee in exercising its mandate and delivering a Report on the Budget Estimates for the fiscal year 2017/2018 to this House on time.

These expenditure plans are intended to carry on with the pursuit of rapid and inclusive economic growth and development through the creation of employment opportunities for Kenyans, as well as ensuring an efficient service delivery by MDAs and, of course, the devolved units. The 2017/2018 Budget Estimates are prepared subject to Article 221 of the Constitution and Section 39(2) of the PFM Act, 2012. These Budget Estimates also come at the end of the second medium term plan and will also be linked to the third medium term plan.

Hon. Speaker, as such, the 2017/2018 Budget aims to continue with the objectives of the Jubilee Administration, including infrastructure development, continued support to manufacturing and industrialization; transformation of the agricultural sector, provision of better social services, and increased investment in the security sector.

I appreciate the steps taken by the Budget and Appropriations Committee in reinstating the full allocation to the LAPSSET programme. That remains a key programme in terms of realisation of Vision 2030. I thank the Chair for the timely return of that money, which had been re-allocated to other areas. The Budget and Appropriations Committee has proposed a budgetary outlay of Kshs2.3 trillion in the 2017/018 Financial Year. This Budget is broken down into Recurrent Expenditure amounting to Kshs990.5 billion, Consolidated Fund Services Expenditure amounting to Kshs699.2 billion, and Development Expenditure of Kshs642.9. I thank the

Committee because a sum of Kshs27 billion has been allocated for construction of low volume roads. Those who have ears can hear, and those who have eyes can see that the administration of President Uhuru Kenyatta has ensured that in every part of this country, there is at least a tarmac road being constructed, irrespective of whether a region voted for him or not in the last general election. The extra Kshs27 billion will be used to increase the number of kilometres of tarmac roads that we are going to construct. A sum of Kshs59.6 billion has been set aside for construction of the Nairobi-Naivasha section of the Standard Gauge Railway (SGR).

The President said in his recent address on the state of the nation; that, for those of you who will be available after the party nominations, there will be a free train ride from Nairobi to Mombasa on 1<sup>st</sup> June, 2017. Those of you who are interested can book early by visiting my office. It will be a four-hour First Class, Business Class and Economy Class train ride on the SGR line. If you have baggage, we will carry it. That is the only railway of its kind built in four years' time.

Hon. Speaker, the Committee felt that Kshs10 billion was to be allocated for LAPPSET; about Kshs9.75 billion and Kshs6.2 billion for the Kenyatta National Hospital and Moi Teaching and Referral Hospital, respectively. A sum of Kshs3.3 billion was set aside for water dam construction, and Kshs3 billion for installation of transformers. A sum of Kshs9.7 billion has been set aside for the Last Mile Electricity Connectivity programme, among other projects. An extra 3.7 million Kenyans have been connected to electricity. I was shocked when certain leaders faulted this administration by alleging that we are connecting electricity to mud houses in slum areas. In this country, it depends on who your father was. If your father was a camel herder, like my father, if you get electricity you will appreciate. However, if your father was Vice-President or Government Minister or President; if your mother delivered you in the best hospital in the country; if you were raised on Cerelac baby feeds and Lactogen milk as opposed to some of us, who saw such things when we were grownups, you will not understand these matters. We want everybody in Kenya to access electricity. This Jubilee Government wants to ensure equitable distribution of electricity among the rich and the poor. We have provided for waiver of examination fees to the tune of Kshs2.9 billion so that children from poor backgrounds do not drop out of school for lack of money for examination fee.

The Committee's Report says that the Department of Irrigation has been allocated Kshs13 billion, including an allocation of Kshs50 million for the Lower Kuja River Irrigation Scheme in Migori County. This is commendable because, if well utilised, this amount will resolve the issue of food insecurity in our country. However, there is the famous Thwake Multipurpose Water Development Programme, which of late has put the Ministry of Irrigation in the limelight. There was a lot of interference. We want to remind the Accounting Officers, who are the Principal Secretaries in this case, to stick to the accounting regulations and ensure value for money for any awards they grant to companies with integrity and record of performance, as required by Article 10 of the Constitution.

Hon. Speaker, in the past four years, this Government substantially enhanced provision of information to this House. I agree with the Committee's Report that since 2013, substantial steps have been taken to streamline the budget-making process. The level of detail in budget books has greatly improved even though there is still room for improvement. The Report that has been presented today also includes changes occasioned by the various departmental committees of this House, as required by law. The law requires that Parliament serves as neither a rubberstamp nor a conveyor belt. The ownership of the Budget belongs to the people's representatives, which is the National Assembly. A lot of reallocations have been done to make sure that this Budget

reflects the wishes of the people. The Committee has made budgetary reallocations to strengthen cancer management, develop a kidney institute, fund key power stations, support community power projects and operationalise the Counter-Trafficking in Persons Act, 2010, among other changes. That tells you that the able Chair of the Budget and Appropriations Committee, Hon. Mutava Musyimi, and the Chairs and Members of the various Departmental Committees, have looked at the Budget, taking into account the priorities of the people, and made adjustments.

This Budget has also been prepared amidst uncertainty arising from the coming general elections, and a slowdown in global economic growth, among other factors. I have an opportunity to say it here and now – I want somebody to challenge me on this one – that during the Grand Coalition Government, under the leadership of Hon. Kibaki and Hon. Raila Odinga, the Kenyan economy grew by 4.5 per cent within a period of four years.

This Government, in the last four years, has grown the economy by between 5.9 per cent to 6 per cent. I want us to compare this growth with what is happening in other countries in Africa. Nigeria, our competitor, in the last four years, its economy went negative. The South African economy, which is another giant, stagnated. The inflation bracket which is sustainable is between 2.5 per cent to 7.5 per cent. The only time that we went outside this bracket, that is, at 9 per cent, was in February and it is because of drought. You know the price of food went up and that is a very unique scenario that the Government cannot control. Look at the debt levels in our country. This is a Government that borrows. We are doing 53 per cent of the Gross Domestic Product (GDP) in terms of borrowing. The United States of America (USA) borrows 100 per cent of the GDP. Japan borrows 200 per cent of the GDP. So, when our competitors feel they want to challenge us then they must go and read. The other day we were told that we borrowed Kshs28 billion from the United Arab Emirates (UAE). Any concessional borrowing by the Kenyan Government must come to this House. My former boss is a very intelligent man, but he has the wrong advisors and especially when he is advised by people who have D – (Minus). It is really a problem.

*(Laughter)*

When you are advised by someone with a D – (Minus), then the kind of statements you make from Mombasa informs us about who is around you. I must thank the Cabinet Secretary (CS) for Transport and Infrastructure. In one sentence they said, “We have not signed a contract.” It is very shameful! Leaders must have intelligent people around them. They should have people you can trace their schooling to, say, the Harvard School of Law. You are better off with surgeons like Hon. (Dr.) Pukose, around you. I was shocked when I was in Malindi. Any concessional loan that is awarded has to pass through this House. A good example is the Kshs30 billion from Japan International Cooperation Agency (JICA) intended for the modernization of the second container terminal in Mombasa.

Hon. Speaker, we forgive. When we were going to school with our laptops and bags, some people were going to River Road and that is the problem. I have five sons and every morning I ensure that my kids are in the car and they have the relevant books and they have done their homework. I ensure the driver drops them at school and that my wife goes to pick them. It is because I do not want them, 20 years from now, to have integrity issues with their academic papers. So, if you are listening to me, your kids are your investment. They must go to school otherwise when you are in the grave, you will hear that your children have many issues. I like what the CS Matiang’i said. He said that one should not go to court over whether they went to

school or not because one has classmates and there is also the Kenya National Examinations Council (KNEC). So, it is not for a judge to decide whether you went to school or not. So, we have not taken any concessionary loan from the UAE. *Baba*, we want to tell you that!

Hon. Speaker, it is important for leaders of this country to carry out responsible campaigns, otherwise there will be no country to govern when we win the elections. It is therefore important that the campaigns focus on policies and issues that are geared towards improving the lives of the citizenry. One hour ago I watched my good friend, Hon. Joho talking on television about Jubilee. The issue at hand is not about Jubilee. “Did you do the examinations? Yes or No. Did you get a D – (Minus) or C + (Plus)? I got a D – (Minus)” When I was in Moi Forces Academy--- You know I may be told that I did not go to school. I went to Moi Forces Academy for my A-Level education. When I finished my studies there I went to National Youth Service (NYS ) where I was told there was a university cut-off point which I had to meet for me to be admitted to do certain courses. So, after we know your Form Four results, the next question we would ask is: Did your points qualify you for any course at the university? The Chairman of Departmental Committee on Agriculture, Livestock and Co-operatives knows that and he is seated here. This country must deal with universities that violate the cut-off points and we have started. This year, if you want to be Governor, Deputy Governor, the President or Deputy President you better go---

*(Hon. Okoth interrupted Hon. A.B. Duale)*

No! Just relax! You know your competitor, the daughter of the Prime Minister is in hospital, and that is why you are happy. Just relax my friend. We are waiting for your competitor to recover.

Hon. Speaker, it is important to underscore that the 2017/2018 Budget Report tabled by the Budget and Appropriations Committee is the last one by this august House. I thank the Budget and Appropriations Committee for its pivotal role in the public finance management area.

**Hon. Okoth:** On a point of order.

**Hon. Speaker:** What is your point of order?

**Hon. Okoth:** Hon. Speaker, is the Hon. Leader of the Majority Party in order to bring issues that are not relevant when we are discussing the Budget? He went off tangent for about five minutes when he talked about degrees and qualifications for certain offices and yet we are discussing the Budget. I am talking about relevance.

**Hon. Speaker:** I thought the Budget has provisions for funds going to universities. You are at liberty to say something else, for instance, you could say that you want money to build nursery schools and such like things. It is okay. There is nothing wrong.

**Hon. Kaluma:** On a point of order.

**Hon. Speaker:** He was on a point of order. It cannot be followed by another point of order! Hon. Kaluma, do you know that we are on the tail end?

**Hon. Kaluma:** Thank you, Hon. Speaker. The Leader of the Majority Party is a leader of the House and I highly respect him. However, I do not think it is right, being a leader of the nation and this House, for him to appear to be celebrating the ailment of the daughter of the Prime Minister in the manner he is doing. May I request that he withdraws his remarks.

**Hon. Speaker:** Ailment?

**Hon. Kaluma:** Yes. You heard him tell Hon. Okoth, “Your competitor is in hospital.” That does not befit the status of the Leader of the Majority Party.

**Hon. Speaker:** He has not responded to Hon. Okoth. Can you, please, conclude your seconding.

**Hon. A.B. Duale:** Thank you, Hon. Speaker. Hon. Oburu is here. I am one of the best friends of the Odingas. Hon. Kaluma cannot purport to speak for that family. I am close and I wish her quick recovery. I only said that when Rosemary Odinga recovers, my friend Hon. Okoth will be in problems. We are praying for her every day to recover so that she deals with him properly in Kibra Constituency.

Finally, I thank the members of staff in the Budget Office under the leadership of Mrs. Makau and the Budget and Appropriations Committee. If there are experts and persons who are effective at work and can give guidance to the Hon. Speaker and the leadership, then it is the Budget Office. I will not finish my remarks without thanking the staff of the Budget Office. This is because anything I have asked at any time, the team that works with Mrs. Makau has had an answer at their fingertips. The same goes for Legislative and Legal directorates.

That is why the leadership is one of the teams in this House which can evaluate staff. Who decided to remove the leadership from the Commission? We selected Members who sit in the Commission but how often do they interact with the men and women who work in these departments more than the leadership, Hon. Wamalwa and I?

I want to thank the Budget and Appropriations Committee for a very good Budget. The ceiling of the Cabinet Secretary has been controlled. Finally, I also want to thank the leadership and staff of Kenya Revenue Authority, led by Commissioner-General John Njiraini. They are the people who have given us freedom and collect taxes on behalf of the people of Kenya. The men and women who work in the National Treasury also need to be thanked for the good job they have done and, of course, the National Assembly for making sure that this country in an election year receives its budget estimates in a calendar that the House Business Committee (HBC) approved under your leadership.

With those many remarks, I beg to second.

*(Hon. Ogari walked into the Chamber)*

**Hon. Speaker:** Hon. Ogari, you are making your way into the House very slowly like the wheels of justice. They are said to grind slowly like you are doing.

*(Question proposed)*

**Hon. (Ms.) S.W. Chege:** On a point of order.

**Hon. Speaker:** Member for Kitui Central, Hon. Makali Mulu.

**Hon. Mulu:** Thank you, Hon. Speaker.

**Hon. Speaker:** Sorry, Hon. Mulu. There is a point of order from Hon. Sabina Chege.

**Hon. (Ms.) S. W. Chege:** Hon. Speaker, I beg to move:

THAT, the Motion be amended by inserting the following words immediately after the words “as contained in the Second Schedule”-

“Subject to:

- (i) Addition of the following paragraph 61(A) immediately after paragraph 61 under Financial Recommendations on page 16;
- (ii) 61(A) Reallocate Kshs.200 million under the development estimates of State Department for University Education from Research, Science, Technology and Innovation Programme for construction of physical science laboratory to

University Education Programme for the following: Kshs150 million to Turkana University College and Kshs50 million to Maseno University to bridge the development financial gap; and

- (iii) Effecting the consequential amendments to the First Schedule and the total sum approved accordingly.”

First and foremost, I want to commend the Budget and Appropriations Committee for a job well done. The Departmental Committee on Education, Research and Technology presented its budget to them. One of the policy recommendations which we made during processing of the 2017/2018 Budget was that new projects should not be initiated in universities under the State Department for University Education development estimates.

I, therefore, beg to move a Motion to amend the Report of the Budget and Appropriations Committee because of the oversight done on the Research, Science, Technology and Innovation programme activities in the development estimates of the State Department for University Education. There is a new project for the construction of a physical science laboratory which has been allocated Kshs3.06 million. Turkana University College is a new university and needs Kshs150 million to support its completion and Kshs50 million be given to Maseno University to bridge the development financing gap. I would like to mention that for Maseno University, there was a reduction of over Kshs100 million during the Supplementary Budget which affected the development of its programmes. These recommendations were omitted by the Committee and I urge the House to support them. I beg to move and ask Hon. Melly to second.

Thank you, Hon. Speaker.

**Hon. Speaker:** Hon. Melly.

**Hon. Melly:** Thank you, Hon. Speaker. I rise to second and support the amendments. As a Committee, we agreed that Turkana University is newly established and is missing a lot of physical amenities because it is at a formative level. Looking at several other universities, many of them are not getting enough funds.

I will single out the University of Nairobi (UoN) which in this current financial year had its budget reduced by almost Kshs1.7 billion. This will affect the services and running of that university. The amendments moved by the Chairperson are very important because Maseno University is growing and its budget was reduced by Kshs50 million in the last Supplementary Budget and services will be affected if these monies are not returned to it. I rise to support and second these amendments.

Thank you, Hon. Speaker.

**Hon. Speaker:** May I have the benefit of the proposed amendments. I had already seen them but we need to dispose them off so that we can proceed. They have to be proposed so that comments can be made.

*(Hon. (Ms.) Muia stood in the gangways)*

Member for Kilome, take your seat. Never mind, I know where you prefer sitting. It is just for a few minutes.

Hon. Members, notice has been given for these amendments and I therefore propose the Question.

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

Hon. Makali Mulu, you may comment on it. That does not mean you lose your chance to contribute to the main Motion.

**Hon. Mulu:** Hon. Speaker, I just want to seek your guidance in terms of procedure. This amendment deals with a money matter. Normally, anytime you bring up money issues, there is a procedure to go about it. This amendment has not been discussed by the Budget and Appropriations Committee. I do not know whether it will be in order, procedurally, to have an amendment which relates to money matters because we also have to consult the National Treasury to do this. We cannot debate it here and approve it.

Budgets are not just ceilings. There is a macro framework which informs everything that is in this Budget. Once you change one item, a number of other variables are expected to change including the deficit. Procedurally, it will not be right to discuss this amendment at this level.

**Hon. A.B. Duale:** On a point of order, Hon. Speaker.

**Hon. Speaker:** What is your point of order, Leader of the Majority Party?

**Hon. A.B. Duale:** Hon. Speaker, I totally agree with Hon. Makali. This amendment does not tell us where the Kshs200 million is coming from. As has been said, the Ministry concerned should be consulted. That is why we had to bring back the LAPSSET money. We need your guidance on this because it is not about the ceiling; it is about shooting the ceiling which is a different story. The Chair needs to tell us where that Kshs200 million is coming from.

**Hon. Speaker:** You need to explain. Like I had also asked before approving this Motion, I needed to know whether the Departmental Committee on Education, Research and Technology presented this particular case to the Budget and Appropriations Committee. Although Hon. Makali Mulu has raised the issue, I want to hear from Hon. Mutava Musyimi as well whether this proposal was ever presented to the Budget and Appropriations Committee. I had indicated to the Chair of the Departmental Committee on Education, Research and Technology that I needed to hear the concurrence of the Chair of the Budget and Appropriations Committee.

**Hon. Musyimi:** Hon. Speaker, I am happy to concur. My only problem is that we are acting outside the law and the laid down procedure. The law is very clear as to how amendments must come to this House. We spent a lot of time whether we were dealing with the Supplementary Estimates, sitting with chairs of Committees, agreeing on the amendments or sitting with the National Treasury for long hours. We did the same on this current Budget. I find it a bit odd that my very good friend, the Member from Murang'a, would bring an amendment to the Floor of the House in the manner that it has come. I have no problem with the amendment *per se* because it is a reallocation although there are some inherent challenges, but it is just the procedure. If we make the law, we should follow the law.

I would have thought that the better way to approach it, if I may advise the Member for Murang'a and her Vice-Chair, the Member for Tinderet, is that there is a lot of unanticipated expenditure we will have to go through in the next financial year. Some of those matters are better done through supplementary budgets. I made that case. I think there will be at least one or two supplementary budgets in the next financial year. Those of us who serve in the Budget and Appropriations Committee, if we are lucky to come back, will be more than willing to accommodate the National Treasury if they come with the supplementary estimates, which we normally do not always like.

In good faith, I just have issues with the procedure.

**Hon. Speaker:** I had indicated to the Chair that I needed to get that concurrence and confirmation. Was it ever raised before the Budget and Appropriations Committee?

**Hon. Musyimi:** I can confirm that this matter never came to my Committee. I saw it for the first time in the House this afternoon.

**Hon. Speaker:** Then we do not even have to vote on it. Suffice to say, just like they say with the stroke of a pen, *prima facie*, the proposed amendment is in violation of Article 114 of the Constitution and, therefore, is not admitted. We may proceed. Members, we do not have to make reference to this again.

Proceed, Hon. Makali Mulu.

**Hon. Mulu:** Thank you, Hon. Speaker. I want to add my voice in supporting this Report of the Budget and Appropriations Committee. I would like to remind the House that this is the last Budget that we will pass as the 11<sup>th</sup> Parliament.

There are realities in terms of the environment we are operating in which we must always keep in sight such as the political environment. We all appreciate the fact that as a result of this being a political year, we will have a bit of risks in terms of Budget implementation. What that means is that as we move forward, it is important that we always keep on analysing and assessing the political environment.

The Chair of the Budget and Appropriations Committee and the Leader of the Majority Party have spoken about the good things about this Budget. I will focus more on areas which the 12<sup>th</sup> Parliament should focus on in terms of how to process Budgets. This is for those who will be lucky to be there. In terms of adherence to the Budget Policy Statement (BPS), this is an area where we have faced challenges in the last four years. As a House we come here, pass the BPS - which in some countries is actually taken as law - but when we come up with our annual estimates, there are challenges in adhering to those ceilings. This is an area which, as a House, we really need to improve.

The other area is what we call the medium term budget framework. Some of these things are too technical for you guys so you better just listen and stop interrupting my contribution. There is what we call the medium term budget framework where you find every year, you have three years of what we call the rolling budget process. What happens---

Hon. Speaker, you need to protect me from---

*(Hon. (Ms.) R. K. Nyamai, Hon. (Ms.) Wahome and  
Hon. (Ms.) Mitaru consulted loudly)*

They are shouting at me. I am not used to this.

**Hon. Speaker:** The three gracious ladies, there is nothing wrong with Hon. (Dr.) Makali Mulu contributing and looking at you squarely in the face. You never know what could be going on in his mind. Hon. Mulu, I will add you an extra five minutes.

**Hon. Mulu:** Hon. Speaker, I was speaking about the budget-making medium term framework. Every financial year, we make a Budget for three years, which we call the rolling budget process. But you find that at any time, we are expected as a country to make sure that even as we implement the Budget for that particular year, we look at the estimates for the other two years. If you look at what we have been doing for the last four years, that is an area that we have also not done very well in. There are ceilings that we have put for the next year and the year after that, but any time we are budgeting we assume that those two years do not exist. This is an area where the National Treasury needs to help us as we move forward so that we get the budget process running.



The other issue is the public debt. We agree that we have not gone beyond the red light in terms of public debt. We are starting to get a warning light that we are almost getting there. It is important as a country that we start thinking seriously about public debt. If you analyse the public debt, we have put a lot of money in the area of infrastructure. If you analyse the issue of creation of employment and economic growth, there are two areas which if we ignore as a country we will not go far, namely, agricultural and manufacturing sectors. In terms of prioritisation, we need to start shifting some resources to the agriculture and manufacturing sectors. If we do not do that, we will likely not achieve much.

The other area which we need to think about as an improvement as we move forward is the area of the implementation of the Budget. Every year we allocate a lot of money but when you look at the way the Budget is implemented, there is a challenge in terms of what we call low absorption rates. We put money in the Budget which is never used. When money is never used and more so in the development budget what happens is that we do not achieve the projected targets in terms of economic growth. That is why every time we keep increasing our deficit because we are not generating enough local revenue to fund our Budget. This is an area those who implement the Budget like the ministries, departments and agencies (MDAs) need to pay a bit of attention in terms of implementing the Budget.

The other area is payment of interest rates. If you look at paragraph 8, it says that this particular year, interest payable as well as redemptions is going to increase from Kshs466 billion to Kshs621 billion. In terms of payments, these are first charged to the Consolidated Fund. It means that you cannot even budget for any other thing before you get this payment out of the Budget. To some extent, it affects Budget flexibility. We are left with so little revenue that at the end of the day we are not able to meet our priorities or fund the development and some of the Recurrent Expenditure.

As we talk about public debt, the issue of paying interest rates - which we must pay because we have no choice - is another indicator which we need to monitor. Otherwise, as time goes on you will find that all we are collecting as local revenue, about 50 per cent, goes to pay interest and other items which are first charged to the Consolidated Fund. So, in that case, we will have no Budget.

Paragraph 9 talks about pension payments. Every year, we pay pensions to our retired officers. What is happening now is that as we pay these pensions which are also first charged to the Consolidated Fund, you realise that it will get to a level where it will be difficult to pay this. I suggest that the Government should immediately think about contributory pension schemes so that civil servants are able to contribute. With time, then they will draw from that fund which will be generated through their contribution so that we do not draw that from the general revenue collection. That is another important point.

On the issue of the budget deficit, when you look at the Budget Policy Statement, the projected amount was 6 per cent but, with this Budget, we have moved beyond that. It is important that even as we move forward, we think about re-prioritisation and rationalisation of the Budget to the extent that we are in the range of 6 per cent. The idea is that by 2022, the East African countries are expected to have a 4 per cent budget deficit. So, the more we start moving far from that, the more we are not adhering to our agreement as East African countries. This is an important point which you need to note.

The other point is that when we went for public hearings, a number of things came up and it is important to highlight them. I know that the Chairman did not have time. One of them, which I think is very important, is the issue under the security docket, the so called village elders.

I am sure you know them even from your village. They are not paid any allowance. This House needs to help the Government to start paying some of these people some allowance. If that is done, it is going to improve security within our villages. They do a lot of work, but they are never paid by anybody.

Another issue that has come up is the Kenya Power in terms of inefficiency. This Report appreciates the fact that Kenya Power enjoys monopoly. As a result of that, they are taking things for granted. If you go to their offices or try to call them, they hardly address the needs of the community. I can quote one in my constituency, the Kitui Office, where even I, as a Member of Parliament, have been trying to reach that office for the last three weeks by calling. They have an emergency line which is never picked by anybody and I have the officers' numbers which are also not picked. If people are drawing money from public funds, they have to improve in terms of efficiency. Kenyans have said that and it is important that the Committee which is in charge of this area monitors or oversees this particular area because Kenyans feel let down by this particular company which seems not to meet their expectations.

The other area is the hiring of medical equipment. We are hiring medical equipment and motor vehicles for the police. It is important that we do an audit after these past four years. This Report proposes something we call a social accountability mechanism which is more of a social indicator, but we need the same, an accountability framework for leasing of medical equipment or motor vehicles. We allocate a lot of money for this particular item. I have a strong feeling that we are not getting value of money as Kenyans. I can give you an example. If you go to Kitui General Hospital, we got some equipment for dialysis. The equipment was delivered but we do not have a room to install the equipment and we do not have trained personnel to handle the equipment. We need to get it right in terms of planning. As we deliver the equipment, let us think about the accompanying facilities like rooms or infrastructure where it is required and also provide trained personnel where we are required. As a House, we need to oversee that area.

The other area is the money we give to our elderly, disabled and orphans which is also a lot. It is about Ksh19 billion in this financial year. We are getting some complaints from our people that we need to have this money audited. That is why I support the proposal to have a social accountability framework or mechanism so that at the end of the day, these funds which we are saving for the benefit of Kenyans actually benefit them.

The other issue is donor funding. Every year, we get a lot of money from our development partners. But as we budget at times, we do not budget as by the expectations of donors by providing the counterpart funding. If we do not do it, we will find the donor component is provided but the local one is not and, therefore, we cannot move on with that project. As we move forward, this is an area we need to have a listing of all projects which are donor-funded and be able to say that this is the much we require as local counterpart funding so that as a result of that we are able to fund the Budget fully.

The other issue is sanitary towels. This came from the Departmental Committee on Education, Research and Technology. I must congratulate them for the work they did and I also did it in our meetings. I am surprised they are sneaking in an amendment this late which is not procedural. The issue of sanitary towels is very important. For the last three years now, we have provided resources for our young girls. We have spoken to a number of Members of Parliament and none of them has seen any of their schools benefit from this. That is why I agree that we move this particular funding to the national Government's affirmative action so that County Women Representatives, who are Members of this House, can monitor this facility. I am sure this way, these young girls will get these important towels.

The other thing is the technical---

**Hon. Speaker:** Obviously, they are also required to be present not just to be out there. When we are discussing the Budget, they are conspicuously absent. It is not a very good thing. I also have a screen on which I check whether anybody has made a request. I only know Hon. Grace Kiptui and Reginalda have made requests, but they are somewhere down there. Please, when we are making Budget, it is very important and this is an elections year. When you go out there, you will be telling people what you are doing. You are telling Kenyans that you are giving them this and that yet you are nowhere. It will be passed and you will say that we have passed a Budget. Where were you when it was being passed? Surely!

**Hon. Mulu:** Hon. Speaker, I support that. It is important that they also be part of the budget-making process.

The other issue is technical institutions or what we call technical training institutes which we have constructed all over the country. Through the Budget and Appropriations Committee, funds have been provided and a number of them have been constructed in the country but, there is the issue of tutors. We have very good and beautiful structures all over the country. They are admirable, but they really cannot provide the service expected because of lack of tutors. It is important as we move forward, to allocate some money so that tutors are employed and the institutions become operational.

On the issue of new projects, I want to agree with the recommendation that we should not approve any new project.

**Hon. Speaker:** One more minute, Hon. Mulu.

**Hon. Mulu:** I appreciate, Hon. Speaker. I was saying we should not, as a House, allow any new project to take off in a ministry, department or agency when they already have incomplete projects. That would be poor financial management. In situations where organisations have started projects and they are ongoing, let us provide resources for the completion of those projects before getting new proposals for new projects.

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

**Hon. Speaker:** Hon. Katoo ole Metito.

**Hon. Katoo:** Thank you, Hon. Speaker. I rise to support this Motion. I have few points to make. This Budget is programme-based and it will be effective as from 1<sup>st</sup> July this year. I, however, note that there are some few things that it needs to address, for example, the wage bill. When His Excellency the President was addressing this House a few days ago, he talked of a very expanded or near-boiling-point wage bill with regard to public servants. It is time we addressed that problem.

It has been said that there was a presidential taskforce on parastatals. This is the time to implement it. We need to either merge, collapse, or scrap some of the parastatals. By doing so, we will reduce the wage bill. A socio-economic audit was done on these parastatals. I remember we passed a budget in this House and that exercise was allocated Kshs80 million. Again, in the Budget we are discussing now, there is an allocation of Kshs250 million for the same socio-economic audit starting from the constituency level. If we implement that, it could help reduce the wage bill.

There is also need to consider, maybe, not the number of commissions and independent offices that we have, but the minimum number that is required in the Constitution. I am talking about membership of three persons as opposed to the maximum membership of nine persons as it is now.

It is time to bite the bullet and think of abolishing some of the elective offices. That proposal should come from the socio-economic audit. Apparently, many offices in the public service have duplicating roles. We need to see how we can streamline and abolish some of the elective offices. If we manage to do so we will have in place a lean, efficient and, perhaps, a well-paid public service.

In the Budget, we need to expand and implement some of the capital projects that in the short-term seem to be very expensive yet in the long-term, I believe, they would grow the economy hence creating more jobs for our youth. I have in mind projects that have to do with roads, railways, ICT and the energy sector. We should emphasise that particular fact because this might be a transition Budget. We really need to maintain those capital projects.

Hon. Temporary Deputy Speaker, for transition purposes, especially at the county level, there should be no pending bills. There are so many pending bills at the county level. All county governments should clear their pending bills within or by the end of their term. There will be no need to load the incoming governments with pending bills. Of what value is it? Even the value to the public may not be confirmed. There is no need for a new government to come in only to be met with pending bills that are likely to consume the whole budget of one's first year in office. Therefore, a mechanism should be put in place for all the 47 county governments and also the national Government to see how they can streamline and clear the pending bills.

We also need to put a mechanism in place to ensure full disclosure of county government revenues. Some of their revenues are not remitted to the National Treasury. There is a lot of money at the county level that does not get to the National Treasury. The county governments always say that the national Government has not been remitting funds in time, or that it has been disbursing money in doses. The same county governments have, however, failed to explain to the electorate that there is a lot of revenue collected in the counties that is not accounted for. Therefore, we should put a mechanism in place that will ensure full disclosure of every penny collected at the county level.

There is need to cut down on Government wastage both at the national and county levels. This will enable us safeguard funds that need to be channelled towards development. There is unnecessary construction of buildings. For instance, we have just rejected here the amendments meant to allocate money for the construction of buildings. Such monies could as well be channelled towards research work. We can avoid that both at the national and the county levels, but especially at the county level because that is where we experience high Recurrent Expenditure. For example, a lot of money is used to construct offices, buy fleet of cars and employing unnecessary staff most of them in the name of casual labourers. We need to cut down on that wastage. I cannot forget to mention the wastage in our public offices occasioned through entertainment and refreshments. Quite a great deal of money could be saved through that so that we enhance the percentage that goes to the development kitty.

The fifth point is the need to centralise the human resource factor, especially the personnel issue to ensure there is harmony and equity in the remuneration of civil servants. Take for instance the just ended strike by medical personnel. One of the issues they were raising, remuneration, was valid. This is because they were being paid depending on what the county government thought it could pay them. These are skilled personnel and they have equal qualifications. The personnel need to be centralised so that the Ministry of Health or the national Government ensures that professionals working, say, in Garissa, Kajiado, Turkana, or any other county are paid the same. That is why you saw some of the medics in some counties like Bomet

did not go on strike. They were getting their dues. I know health is a devolved function but we need to look into the issues of personnel and maybe centralise that factor.

With regard to the proposed reductions and increases of allocations, allow me to talk about the proposed reduction of the amount of money allocated to the State Department for Interior. This is an electioneering year and a lot of issues with respect to security are going to come up. I can see we have reduced the allocation to the National Police Service. Money meant for police modernization has been reduced by Kshs150 million. There is another reduction of Kshs180 million, 390 million and 65 million. However, reducing Kshs50 million from the amount of money allocated for the construction of police stations and another Kshs150 million from the money meant for planning, policy co-ordination and support services is not a wise move. I would like the Chairman of the Budget and Appropriations Committee, through you, Hon. Temporary Deputy Speaker, to hear me out on this. I see the Member for Kibra is disturbing him but I am asking the Chairman of Budget and Appropriations Committee that I do not think it is a wise move to reduce the police allocation, especially the one that is meant for construction of police stations, planning, policy co-ordination and support services when we are going into election. I am sure there are going to be increased threats to security during this election period. Who knows, we could be infiltrated by *Al-Shabaab*. I would even prefer that we shelve the proposal to increase by Kshs200 million the allocation for the Independent Policing Oversight Authority (IPOA) for construction of offices and use that money for the purpose of boosting police support services, which is a priority – The other one can wait.

Again, there is the issue of State Department for University Education. Hon. Temporary Deputy Speaker, please add me two minutes.

I really support that increment of Kshs250 million and Kshs50 million for Maasai Mara, Laikipia and Nyandarua campuses. It is good to support these colleges that have been elevated into universities to better serve the *wananchi*.

Let me rush.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Katoo, you have a minute to complete your submission.

**Hon. Katoo:** Thank you, Hon. Temporary Deputy Speaker. I appreciate the Kshs60 million allocated to Suswa-Ewaso-Kimuka-Ngong Road. Though it is not much, it is going to really do some work on that road and then, maybe, we will need to upgrade it later. The Kshs500 million that was given to the Kenya Meat Commission (KMC) is quite welcome and I appreciate. You remember we have the drought that is in and out. It is good time now we fully capacitate KMC and even support the abattoirs at the county levels to make that functioning.

Finally, because of time, there is need to have one Huduma Centre in each and every constituency. You have allocated Kshs50 million for the recurrent expenditure and operation of Huduma Centres in Kenya. Maybe the Chairman of the Budget and Appropriations Committee should consider starting a Huduma Centre in each and every constituency. They have allocated Kshs46.8 million to the National Police Service to facilitate police vetting. To me, I think we can even withhold the vetting of police for this time during elections and put that money into policy coordination, support and planning of police services during this electioneering period. Police vetting can wait. The allocation to IPOA of Kshs200 million to establish offices can wait. We should not reduce what needs to go for operational purposes of the police during this electioneering period.

I beg to support.

**The Temporary Deputy Speaker** (Hon. Omulele): Very good ideas from Hon. Katoo. Hon. Katoo, you do not need to worry about the Chairman of the Budget and Appropriations Committee personally listening to you, he has many ears that are listening to members' submissions. We shall now have Hon. Wamalwa.

**Hon. Wakhungu:** Thank you, Hon. Temporary Deputy Speaker. First and foremost, I thank the Budget and Appropriations Committee where I served once for the work well done. Looking at this Budget, we have many challenges, one, in terms of the elections. We know very well that budgets of countries in East Africa come at the end of the financial year, which is 30<sup>th</sup> June. So, they come around July. This was meant, deliberately, to avoid speculation.

In this case, because of the change of the election date, we find it very difficult. Maybe it is high time as parliamentarians we thought how to amend, in future, the election date so that the budget cycle will be in tandem with other East African countries to avoid speculation.

Another big challenge about this Budget is that it is supposed to be implemented from 1<sup>st</sup> July and within a month or so, we are going for the elections. So, it is going to be a challenge if we, as the National Super Alliance (NASA), are going to take over this Government. This Budget is done in line with the Jubilee Manifesto. That is why it is important that in future we also need to do some realignments and the aspects of harmonisation so that we go back to the old system and avoid these issues. This is because as NASA, we smell victory. We are going to have a big challenge to implement the Jubilee manifesto-based Budget. As such, we will be forced to come up with a supplementary budget. This is the thinking so that in future we need these constitutional amendments.

The Budget Policy Statement (BPS) was passed on the Floor of this House and the critical aspects about it are to highlight key priorities. It comes with the ceilings. Last time when we discussed this, we discussed about the issue of reducing 6 per cent of the fiscal deficit. However, if you look at this, you find that it is even expanding. We are not adhering to what we passed in the BPS. This is because of the increase of the country's debt. We know very well that about 53 per cent of the debt level is 15 per cent of the GDP.

The Leader of the Majority Party tried to do a comparison analysis. He mentioned the United States of America (USA) having 100 per cent and Japan having 200 per cent. We must look at the environment. Those are grown economies. So, we cannot have a comparison. That comparison is out of order. It is, indeed, important that as a country, we must maintain the debt level because sustainability, in terms of servicing the interest is very high and it is becoming very difficult for this country. That is why we also have issues of inflation in this country. For the first time, the inflation rate has gone to almost 10 per cent. The cost of living is unbearable to Kenyans.

When the Jubilee Government took over power, the price of a packet of *unga* was about Kshs70. Now we are talking about Kshs140. So, as far as the economy is concerned, the Jubilee Government has let us down badly.

Let me talk about infrastructure. We are not saying it is bad but we must expand in a sustainable manner. When it comes to payment, it is being a nightmare. As we try to do the development, we must ensure that it is within the scope.

In line with the PFM Act, we have ceilings. It is advisable that the 30 per cent should go to Development Budget. However, as far as we are concerned, if you analyse this budget, you find that when it goes to development, it is actually way below. This is something we need to look at. According to the PFM Act, it is supposed to be within the timeframe of two years. It is unfortunate that when we come to this, we forget about the issue of the two years. It has been

given that provision of the two years in the PFM Act for us to be able to complete those projects within that particular timeframe. If we are not going to adhere to that, you will find that many of our projects will go beyond. The Budget and Appropriations Committee needs to look into it as we move.

Another critical issue is about agriculture. In this country, food insecurity is a big problem. This is a country that cannot feed its own. We have problems. The drought is there. We know there is the aspect of climate change. It is the responsibility of the Government to come up with strategies that can mitigate these issues of food insecurity. When you go ahead, there is the Kshs900 million that we had for fertilizer subsidy. It should have been increased so that arable areas like Trans Nzoia or parts of Rift Valley which feed this country and have good rains have this subsidised fertilizer that can improve food production.

We have seen the Galana Kulalu food project which has not added value. Many problems we have in this country as far as food insecurity is concerned are because of poor planning. The Committee went round and it is important that when you go round to hear opinions of people in this country, the sampling must be representative. The areas you went to do not give a true representation of this country. I really wish that next time when you do this, at least, go to the entire eight provinces that were there. You have only gone to areas that are around Nairobi. We wish to see the opinions of the people in the North Eastern regions or those in Busia and Budalangi for purposes of having a proper representation of the feeling.

Again, there is this issue of the social nets. The elderly outside there are really suffering. I really wish that the Jubilee Government could have tried to increase the amount allocated to them so that the number of people who are vulnerable outside there and the elderly people, who cannot afford a meal a day, can be increased. This is because some of them are dying. We have even seen some of the prominent people dying. When I go to the villages in my constituency, we have very many elderly *wazee* and *mamas* who ask what happened to the money for the elderly. In fact, it is not being delivered there on time. There is a challenge which I think we need to look into in future.

There is also the issue of village elders. I am told it came up in one of your public hearings.

Village elders play a critical role as far as security is concerned. Where I come from they are called *Bakasa*. *Bakasa* are very important as far as security is concerned. I had wished that after the Budget and Appropriations Committee went out, they should have looked for ways to fund or give something small to the village elders. We have had motions on village elders come to this Parliament about three times. We had such Motions in the other Parliament and also in this Parliament. Because of the critical role that these village elders play, they must be given some honorarium. Some of them have families and children. They live in a sorry state and because of the work they do which plays a critical role as far as security is concerned, it would be good if we gave them an appreciation.

The issue of going for public hearings is in line with Article 118 of the Constitution of involving the public in our legislative process. If you heard those people requesting for such things, then I have not seen that provision in this Report that the village elders should be compensated or given something. Since they are the ones handling the issues of security, it can be dangerous if we allow them to be compromised.

The other issue is that this is a Budget of Kshs2.631 trillion. I am talking about the issue of devolution. We know very well that in line with the Constitution, when it comes to the division of revenue between the national Government and the county governments, we normally

look at the last audited accounts that were approved. We know very well that the last audited accounts that were approved were those of 2013/2014 and yet we are looking at 2017/2018. We have a deficit of about four years. This is not good for devolution. We are talking about Kshs2.631 trillion and whatever is going down to our counties is not corresponding. We wish that in future that the committees in charge move with speed so that the audited revenues are approved in good time so that if we are dealing with the Budget Estimates of Financial Year 2017/2018, we will base it on the revenues of 2016/2017. In this case, we have a deficit of four years.

Another issue that I wish to talk about is the issue of absorption. This is very critical because when this money is not absorbed, it is returned back to the National Treasury. So, it also complicates---

**The Temporary Deputy Speaker** (Hon. Omulele): Give him a minute to wind up. Hon. Chris, you have a minute.

**Hon. Wakhungu:** Due to the good things that I am talking about, I should be added two minutes so that in future we can have these improvements.

Lastly, I want to speak about education. Hon. Duale talked about people scoring D- (Minus) and D+ (Plus). It is, indeed, important. People who score D+ (Plus) can study for a degree and become professors. If you score D+ (Plus), there is a provision where you can study for a certificate and from there, you can get a diploma, a degree and then a PhD. I know very many professors that were primary school teachers. There is nothing wrong. It does not mean that when you score that D+ (Plus) you cannot get a degree. As long as you have done it gradually, you can make it. If you failed in Mathematics, you can do a bridging course. If you got low grades, you can study for a certificate and upgrade. I want Kenyans to know that it is not difficult. You can score a D+ (Plus) at a lower level but you can become a professor. It is possible.

We want to remove this narrative which Hon. Duale was putting across to mislead Kenyans. People who scored D+ (Plus) can upgrade from a certificate to a diploma, a degree and can become professors. I thank you and I support.

**The Temporary Deputy Speaker** (Hon. Omulele): Very well spoken, Hon. Chris Wamalwa. Let us have Hon. John Nakara, the Member for Turkana Central.

**Hon. Nakara:** Thank you, Hon. Temporary Deputy Speaker for giving me an opportunity to contribute to this Motion. First of all, I want to say that I am shocked that we, as leaders and people's representatives, have rejected the Senate's Amendment to the Division of Revenue Bill to increase the counties allocation just because of the few governors that are misusing money. We are torturing our people. Our people need money. If there is a governor who is corrupt, we must jail him. We should not punish people. We should not refuse to give resources to people just because of a few governors.

Having said that, I just want to say that we are very grateful that this Budget is a people's driven Budget, but some State departments must work hard to ensure that this Budget becomes a reality. I want to comment on the Ministry of Interior and Coordination of National Government. You know we have National Police Reservists (NPR). These people work day and night. They move in dangerous areas and that is why you saw that they were sent to Baringo to help. However, these people are not on a payroll. It is very painful that the NPRs are sacrificing their lives for our people and yet they are not being paid. We want to challenge the CS in charge of Interior and Coordination of National Government to ensure that the NPRs are paid, if not, let



them recommend NPRs to county governments so that they can get some pay. This will enable them to work even harder.

We have some security camps that we have built using the National Government Constituencies Development Fund (NG-CDF) money for instance Kang'irisae AP Camp. We built it four years ago and to date, we do not have a single Administration Police officer in that camp. We are, therefore, challenging the CS in charge of Interior and Coordination of National Government to ensure that we have soldiers in those houses other than using resources of the public to build a facility that is not being used.

On the issue of the Department in charge of Correction Services, many prisons are congested. I will give you a good example of Lodwar Prison. It is very congested to the level that the wardens have no place to stay. I am challenging the CS in charge to ensure that such places are well funded. The CS should ensure that they build houses for our wardens. I urge the CS to consider building houses for staff of Lodwar Prison.

With regard to the Ministry of Defence, I would like to congratulate the KDF officers for what they did two days ago. They killed *Al-Shabaab* forces. We should ensure that our KDF officers are supplied with all that they need particularly modern equipment. We should be aware that the *Al-Shabaab* have advanced in technology. We, therefore, want our defence forces to ensure that they are ahead of *Al-Shabaab* in terms of technology and modernisation so that they can protect this country from the enemy.

With regard to the Ministry of Foreign Affairs, I have travelled with this Committee to several missions in this world. If you visit some foreign mission offices and the staffing levels, you will be shocked. Our image out there is not good. If you visit our embassies abroad, you will be shocked to see that seats in those offices are about 10 years old. We are challenging the Ministry of Foreign Affairs to improve our image outside this country. What people see in our embassies create a perception of how our country looks like. The Ministry of Foreign Affairs should consider refurbishing our embassies and equip them with modern equipment.

To comment on the State Department for Basic Education, I am shocked that Hon. Members have rejected some amendments. Turkana University College is a small college. It was set up last year. If these leaders would like to see Turkana County grow in terms of education, they would have approved that money for Turkana College University. However, I am shocked that these Members who represent people cannot consider such an amendment.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Nakara, you will recall the finding of the Speaker that the proposed amendment was unprocedural. Definitely the Committee will have an opportunity to deal with it in subsequent Supplementary Estimates. Even the Chair of the Budget and Appropriations Committee was in agreement with the substance of the proposed amendment. If the procedure is followed, then there will be funds provided for the university.

**Hon. Nakara:** Thank you, Hon. Temporary Deputy Speaker for your direction. I will appeal to the Members to consider approving that proposal to help Turkana people get their first university.

In conclusion, I cannot end without saying that this Budget must ensure that people in the rural areas benefit.

I am happy we have considered youth polytechnics, which is the good thing to tell our people as Members during our campaigns. We will tell them that whether you got a D- (minus) or a D+ (plus), you can expand your knowledge and get skills to help you in your life. You can do carpentry or mechanics, so that you can finance your life. You can be self-reliant. You can be

self-employed by getting those skills. So, this Budget will make our youth to consider going back to school to get skills for survival.

The people who have been given the responsibility to account for the money must do us proud by doing exactly what we have told them to do using this money.

I support.

**The Temporary Deputy Speaker** (Hon. Omulele): Very well, Hon. Nakara. I note with approval your proposal that our foreign embassies should be improved. I would just like to remind ourselves that we are the ambassadors of our country. As we go into foreign lands, we must remember to carry ourselves as the best ambassadors for our country even as we urge the Government to use some money from the budget we have provided for the Ministry of Foreign Affairs to improve our embassies abroad. Very well, Hon. Nakara, good contributions.

I will give this opportunity to Hon. Musimba, the Member for Kibwezi West.

**Hon. Musimba:** Thank you, Hon. Temporary Deputy Speaker, for this opportunity to contribute to the Budget.

From the outset, I congratulate the Parliamentary Budget Office (PBO), ably led by Mrs. Makau. They have done a tremendous job in keeping and interpreting the law as it ought to be. The bigger challenge we have experienced since the passage of the Constitution and, indeed, coming into this House in 2013, is to know where the lines are drawn between the National Treasury and Parliament in terms of who is in charge of the budget-making. There is absolutely no doubt that the force of this House has been felt in terms of putting its foot down, reallocations and more importantly, looking at how projects add value to our bottom line. A lot of mischief which was there in prior years has been stemmed. A lot of commitments were engaged at the time when the reality hit us that we were discussing budgets in which commitments had already been done and the House had little choice, but to factor in projects that did not go through the House. These are strides that the PBO and the Budget and Appropriations Committee are making in terms of curbing and reducing this gap.

The next thing which I have to say, which has to be noted with great concern, is that we have to move away from a poverty mentality. About 53 years after Independence, we are just singing the song of debt, debt and more debt. We need to move forward and start thinking of how we can engage in having a surplus nation. How do we accord ourselves and give unto others what is there? I know the Chairman of the Budget and Appropriations Committee will share with me this, but a country which is 80 to 90 per cent a Christian nation, we ought to start thinking about how to tithe with what we receive. Right now, we are collecting revenue in the region of Kshs1.3 trillion a year. How do we challenge this House and ourselves into committing over Kshs120 billion just in terms of giving?

I have no doubts, whatsoever, that the hand that giveth is the one that receiveth. This will make major strides into changing the national psyche in how we do things. It will be emulated. Great nations like the United States of America, Germany, and Britain all have programmes in the name of the Department for International Development (DFID) and the United States Agency for International Development (USAID). They are not saying they are nations of plenty, but they acknowledge the principle of giving. That is why every village in the known world has been a beneficiary of USAID, DFID and the German Technical Cooperation Agency (GTZ); the German programme. It is time Kenya stepped up to the plate and established our own Kenya Aid. When we get some of these fundamental rights, our nation will prosper. I have absolutely no doubt in that. I believe, like my constituents, that there is no one who is too poor that they cannot give, nor too rich that they cannot receive. This should be the riding call for this nation.

Into the Budget, I must commend a lot of the stances that we have taken, but we need to also focus on how to get innovative as a nation within our Civil Service and our populace. This is a challenge I have posed to several governors that in the event they are pushed to the wall and we have to have a balanced Budget where we have to budget only what we actually produce, what is the future of devolution? Will it be swamped with only recurrent expenditures and nothing for development? That is a challenge that needs to be embraced, so that each citizen; the 45 million of us, starts thinking how we become entrepreneurial. How do we produce? What are the opportunities within our sectors? We are simply thinking about consumption and little about production. A lot of the sectors which we inherited at the turn of Independence, industries like fluorspar and cotton, are on their deathbed.

We are not exporting. If we are not earning income from abroad, how well do we start talking about balancing our budgets and feeding into our budget deficits when there is a lot of pressure for foreign exchange?

When you look at industries like the gambling industry, a lot of money is being appropriated outside which does not leave in the name of Kenya shillings, but in dollars. It means you start struggling. Our import covers which we are supposed to be keeping, which currently lie at around four-and-a-half months, will start dwindling because you are losing money in the tune of US\$6 million to US\$20 million a day. If I am an entrepreneur and I need to churn out my money, I am not going to take it in your local currency, but in the currency that appeases me in a global front.

These are challenges which, as leaders, when talked in 2010 about the three pillars that will drive this great nation, namely, the political, social and economic pillars, we have to look at how each pillar contributes to our bottom line. How does politics enrich us? To this extent again, I must thank the Budget and Appropriations Committee because it took the bravest stance in doing an audit of what the 2010 Constitution is about. Having read the Report, you clearly see in us introducing devolution, we failed to recognise that devolution ought to be treated as a fourth arm of government. A lot of the inconsistencies which already occur in this place are because we do not really have a head of devolution and a lot of the governors look at the President as the 48<sup>th</sup> governor of Kenya as opposed to a substantive leader of the nation; the Head of State.

When you are not subservient to someone and you believe you are sort of equals and you tell him “just do your part by giving us revenue and we will handle the rest”, then there is a disjoint.

In terms of our national values, which are key to this nation, each arm of the Government is independent. The Executive is led through the Public Service Commission (PSC); the Legislature is led through the Parliamentary Service Commission (PARSCOM) and the Judiciary is led through the Judicial Service Commission (JSC). What stands for devolution? That is why there ought to be a devolved Civil Service Commission to look at the quotients of inter-county relations. Such commission would seek to establish the extent to which, for example, the people of Makeni County embrace their brothers from Turkana County. That is to say, for every single governor, we are creating opportunities for ourselves. However, we are ignoring the vibe that ought to hold this dear nation together; brotherhood amongst ourselves.

Wherever you serve, your dedication should be to be of service to the Republic of Kenya and how to make this country greater. When time for review of the Constitution comes, we must take such thoughts into account. We should be looking at the powers of the Salaries and Remuneration Commission (SRC). Currently, the SRC has the final word in terms of what your remunerations will be. The Commission for Revenue Allocation ought to play a greater role of

an independent arbiter by listening to presentations by the arms of the Government and advising on the ceilings for each of them. They should independently look at things and realise that the biggest opportunity for our country does not lie in mining, but rather in sports because we dominate sports globally. However, how much do we get out of the sporting industry in terms of levies from sporting tourism? Everybody will be crying for programmes, but which programmes are giving value to our money? We are missing big opportunities arising from diaspora remittances. Countries like the Philippines, Pakistan and India receive in excess of US\$60 billion annually in diaspora remittances. We are celebrating remittances of Kshs1 billion yet Kenya boasts of having the most developed human capital in the world. There is absolutely no sector where we do not have experts. Ultimately, inventions like electricity by Charles Edison have impacted the world. The enterprises they created centuries back still prevail. Companies like General Electric are still roaring big 200 years later because of the invention of the light bulb. If we encourage our human capital base and think about an invention to carry Kenya to the next level of development, we can make a great stride.

With those remarks, I beg to support.

**The Temporary Deputy Speaker** (Hon. Omulele): Thank you, Hon. Musimba. That is a very encouraging contribution. What you have said today could easily get into the philosophy of the nation, that we should consider giving more than receiving. Those who give receive more blessings than those who receive from others. I really enjoyed your contribution.

I will now give the Floor to Hon. Regina Wanyonyi, Member for Bungoma County. The next person as per my record is Hon. Ronald Tonui. However, I would like to hear the voice of the other gender. Hon. Tonui, I will give you an opportunity, do not worry.

**Hon. (Ms.) R.N. Wanyonyi:** Thank you, Hon. Speaker, for giving me the opportunity to contribute to this Motion.

As a Member of the Budget and Appropriations Committee, I am proud that we have an able Chairman who has steered the Committee to the heights we have reached together with the Parliamentary Budget Office, led by Mrs. Phyllis Makau. Madam Phyllis and her team have worked tirelessly over this Budget. I must commend them. I have a few comments on this Report. First of all, a lot has been said about allocations to various areas of the economy, but I have an issue with the funds that go to the elderly people in various parts of the country. I have observed that certain areas, like Bungoma County, the elderly people have been receiving money. However, the amount they are given does not cater for all the elderly people in that county. The idea of adding 200 people to the list of beneficiaries on an annual basis is not fair. We have elderly people who are suffering due to poverty, but who have not been covered by the programme. When you try to find out why some elderly people are being discriminated against, you are told that their sons or daughters are working. This has created the impression that all the elderly people are being catered for yet that is not the truth. I have observed that most of the elderly people in that county are suffering because of that kind of thinking. The fact that an elderly person has a child who is working is not guarantee that they are being helped. It is wrong to assume that all working people take care of their elderly parents.

Let them have their full rights, as elderly persons. Some elderly people may be having working children, but it is not obvious that they are getting help. It is my request that all elderly persons should be treated equally by allowing them to enjoy their rights as elderly persons under this particular programme.

On issues of the environment, we recently scrapped the environmental impact assessment fees, which has for a long time been charged on investors who engage in various environmental

activities. It is not right for us to scrap the particular fee because it goes against the relevant international standards. Apart from that, that action has increased the burden on the taxpayer because that exercise ought to be catered for through the Appropriation-In-Aid. That means that the Exchequer has to meet the cost of this particular exercise and that is a burden to the taxpayer. Therefore, I am of the view that the particular fee should be reinstated, so that those who pollute the environment can pay for it.

Still on the issue of the environment, we have passed the Conservation and Environmental Management Act, which needs to undergo an amendment because of the particular issue of compensation arising from human-wildlife conflict. The compensation provided for in the Act is not sustainable. We have cases of snake bites, which can happen anywhere in the country. The particular provision for compensation has made it impossible for some victims of human-wild life conflict to be compensated. We should amend the Act to limit compensation within the jurisdiction of the Kenya Wildlife Service so that, when you have, for example, not cleared the bush and you are bitten by a snake, it does not become the responsibility of the Government to pay for that snake bite. Such provision will also enhance the way we take care of our environment. That is very important.

Hon. Temporary Deputy Speaker, I must commend the Ministry of Education, Science and Technology for the steps they have taken through the budget-making process.

I note, in this Budget, the seriousness of various departments in terms of how they have appropriated their funds. Where monies have not been adequately utilised, they have reallocated the monies to areas that they deem important. In this regard, I want to commend the Ministry of Education, Science and Technology for moving funds which they felt were not properly utilised in some areas within the Ministry. For instance, money in the Sanitary Towels Fund was moved to the national Government Affirmative Action Fund. I am saying this as a woman Member of Parliament for Bungoma County. I believe I am talking on behalf of other women Members of Parliament across the country. Whenever you go to a girls' school, the first thing they expect you to have taken to them are sanitary towels. You have no idea how important this is to girls' schools. Most of these girls are from poor homes. Those in day schools miss school due to lack of sanitary towels. Out of the whole year of schooling, they would have missed a total of three months. So, this reallocation of money in the Budget will enhance school attendance by the girl-child. It will ensure that the girl-child does not suffer the stigma of lacking provisions such as sanitary towels. For that reason, I commend the reallocation of Kshs470 million to the National Government Affirmative Action Fund. The use of that money will be visible as it is the first mandate that women Members of Parliament are faced with.

Finally, this time round, I have realised that there is sensitivity in the way we appropriate national funds. This is exactly what people expect of us as legislators. We should not appropriate money just for the sake of it. We are supposed to respond to the desires of the people who elected us to this august House. That way, we shall remain relevant. I desire that we think of reducing unemployment of our youth by enhancing more industrial-related projects. We need to allocate funds for value addition industries. If we do that, we will be creating employment for our youth hence reducing the suffering that they go through.

With those few remarks, I support the Report.

**The Temporary Deputy Speaker** (Hon. Omulele): Very profound contributions and they are well noted. I will give this opportunity to the Member for Nambale, Hon. Bunyasi.

**Hon. Bunyasi:** Thank you, Hon. Temporary Deputy Speaker. I rise to contribute to the Budget debate.

I join my colleagues in thanking the Committee for its solid work. This is not an easy job. We still quibble with the numbers and allocations, but I know the process of arriving at this Report is usually a difficult one. For that reason, I would like to thank all the Members of the Budget and Appropriations Committee. They deserve all the accolades they can get.

I have some concerns which have to do with relativities across the allocations the Committee has made. I note something with regard to the allocation for education, which is my pet subject. We have been given the impression that in respect of university education, there will be county university school systems. In Busia, I have made various requests to the Government to fund Nambale University Campus, which is supported by Jaramogi Oginga Odinga University in Bondo. We were, however, told that further expenditure, to the extent it occurs, will be within the context of the county university system. I note with a bit of dismay, and without any objection to it at all, that, say, Maasai Mara University, which is located in Narok County, is being allocated money for the establishment of a campus in Laikipia. There is nothing wrong with that, but is it the policy? If it is a policy, we ought to know it. We ought to have a transparent system because we are going to get a dual society in which some places get access to education while others do not in this country. We cannot bring all our students to the national universities. So, that is something that the underlying policy is not clear on.

You remember that as a result of some complex process, we did not receive all the money we expected to receive for the National Government Constituencies Development Fund (NG-CDF). We were asked to budget some money for our secondary schools. We, therefore, took money from the NG-CDF allocation. We promised schools money. As I speak, the money has not been disbursed. In fact, it has been reduced, and essentially, we are telling a lie on behalf of the national Government. This is unacceptable. I have a number of very young schools. Our secondary and primary schools have two classes each. I operate under that kind of setting and we have basic programmes such as building classrooms. Laboratories are treated like they are a luxury and yet we must have them. That reasoning has not come through yet. People at the National Treasury, or wherever the obstacle is coming from, need to know that, that is how the Government loses credibility. That is how people develop distrust in the Government. Such things should be looked at.

I do not know where the national Government has been spending infrastructure money meant for secondary schools. I have not seen it my constituency. I do not know if there are other places which receive that money. What is the policy? We need transparency. It is extremely important. We, in Nambale, are pained and are under enormous stress. As you might notice, our demographics are a bit different in the western part of Kenya compared to central Kenya and other parts of the country. We have a steep rise in fertility. It has not stabilised. I am afraid it cannot stabilise. We all know the factors that stabilise fertility over time. As I speak, our classes are full to the brim. We do not have a problem of a shortfall of students in western Kenya and yet in the Ministry of Education, Science and Technology, we have a policy that is based on declining registration of schools. Apparently, registration of schools is a big headache, but it is borne out of the fact that enrolment rates are declining. In accordance with the rights of the child, it is wrong for us not to provide facilities where they are truly expected. Application of policy needs to be transparent. It is not about what the Budget and Appropriations Committee has done. I guess you have to do what you have to do, but we must push these departments to come out clearly on where they stand.

Investment in youth support through the National Youth Service (NYS) is one of the most innovative programmes that we have had since Independence. Forget about the aberrations

that have lately occurred because people have turned the NYS into a dipping pot. I hope that has slowed down because I know it has not stopped. Fundamentally, what they do is very important. I, however, have one main concern which is that to access the facilities of the NYS, you must pledge a certain amount of loyalty. The only loyalty we need to pledge in this House as elected Members is to the Constitution. I do not have to be in certain form of congruence with the Government of the day in order for me to access services such as those of the NYS. We have made proposals which are important for youth development. When we budget substantial amounts of money from the taxpayer, the money should be allocated in accordance with the right considerations, parity, and priority. The youth are a time-bomb in this country. For all these years, I have not seen enough money being allocated for the purpose of creating entrepreneurs out of our youth. We need to understand that formal jobs are not forthcoming.

I know there are entrepreneurial centres which are supposed to be built in the constituencies, but they lack infrastructure. We do not get to see the soft side and capacity to train our youth. This is true of Busia, Nyeri and Turkana counties, and it is across the country. Other areas may be in more serious trouble because they have invested a lot in education and students have graduated with nowhere to go.

I think it is a major problem in this country that we do not care about the youth. They will always be there in every generation and remember today's youth are tomorrow's adults who will sit in this House. It is high time we allocated resources to prepare them for the future. We expand our economy through domestic investments and trade opportunities. Let me start with external environment. I can see there is money allocated for commercial and economic diplomacy which is a great idea, but Kshs141 million in a year for all our major embassies is a drop in the ocean.

Once, I was in New Delhi and the amount of money allocated for the Kenyan embassy was less than Kshs300,000 for the whole year and previous years' allocations were worse. I think we have great opportunities to grow our economy by finding opportunities for trade and investment and it is limitless what we can do with the external sector in terms of our export capacity if we develop our own domestic capacity to export. It is not only money that matters, but we need programmes. When you see these kinds of little allocations and absence of ideas, this is probably a disregard for what it does.

If we know that the commercial centres out there are doing nothing, then we should give them zero, but by giving them such little amounts, we cannot expect to increase our trade volumes significantly. We cannot find enough formal jobs for our youth and that is the reality for Kenya and many other countries, but it is not an excuse. Some colleagues have already commented on investments in technical education. As we think about importing 400 Tanzanian doctors, we should think of importing 400 Chinese professors to teach in our technical colleges because we do not have staff to teach there.

The original idea we had when we started the technical training and vocational centres was that they would be serious training and production units and could begin to contribute to the market supply of goods and services which are useable within the economy and exportable. Let us import the people who have used this concept successfully like the Chinese to help in expanding our capacity. I know we had to do what we did with respect to Tanzanian doctors, but we should think about this seriously. I know that my time is running out and my very last comment on this is that the National Treasury and Government must be disciplined and come to Parliament to get approvals for debt ceiling. The law is very clear on this. They go way above and come timidly knowing they exceeded it and do not give us full information.

**The Temporary Deputy Speaker** (Hon. Omulele): I will give you a minute, Hon. Bunyasi.

**Hon. Bunyasi:** Thank you, Hon. Temporary Deputy Speaker. When we moved the ceiling from Kshs1.3 trillion to Kshs2.5 trillion, we doubled it to an increase of nearly 100 per cent as opposed to not more than 50 per cent as had been the case before. We have gone all the way to over Kshs.3 trillion and the National Treasury request for this has been cursory and casual. This is a very serious offence and I am surprised that this has not been condemned. We need to move together as Parliament in the management of debt which is a double-edged sword. We have reached those high numbers projected by the World Bank to be used very carefully that you can go as much as 74 per cent of debt to Gross Domestic Product (GDP).

We are at those ranges, looking at the Budget implications of servicing those debts where there is direct conflict with management of public health services, basic education services and many others. This is not an area we would like to stay in and should work together with the Government in managing indicators of this nature so that this country will be in a stable path before we get into a painful domain. I will not go into a lot of the nitty gritty numbers.

Before I finish on the issue of drought, starvation and famine, the country has gone through great pain. When I see the budget of the Arid and Semi-Arid Lands (ASALs) of Kshs5 billion, what do they have to show for what they have done to mitigate drought in northern Kenya? It is extremely sad that we were thanking another Government for giving us only US\$20 million. Why are we thanking them when we have the capacity to spend that money and do the right thing on time, so that our people do not starve and face famine? This is a shame and we should look at those areas in the future.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Omulele): Very good contributions from Hon. Bunyasi. I wish you a quick recovery because I have seen your hand is in a sling. I will give this opportunity to Hon. Tonui, Member for Bomet Central.

**Hon. Tonui:** Thank you, Hon. Temporary Deputy Speaker for this opportunity to support this Motion on the approval of the Budget Estimates for the Financial Year 2017/2018. I know we may have rushed in dealing with this Budget because of the limited time we have between now and the elections and before the nominations of the major parties in this country. We do not have otherwise, but to approve this Budget in time while we are still available.

I want to support various aspects of these Budget Estimates and especially on the issue of health where I see about Kshs6 billion has been allocated to referral hospitals. This is welcome because it ensures our people get better health services. However, this amount is inadequate and I would have wished to see a situation where we have referral hospitals in all counties in Kenya. We do not need to have about two or three referral hospitals, but as many as possible or at least one fully fledged referral hospital in each county.

Currently, there is a lot of congestion in the existing referral hospitals forcing our people to seek services from the private hospitals and sometimes their bills are quite unaffordable and our people cannot manage. The more referral hospitals we build in this country, the better. I want to commend the counties because they are running dispensaries, health centres and Level 5 hospitals in a better and efficient way, but they are inadequate to treat more serious diseases which are referred to referral hospitals.

I am happy we are putting in some money for electricity connection. I belong to the Jubilee Party and commend their idea of the Last Mile Connectivity Project. No matter the status of houses, electricity should be provided, so that children from humble backgrounds and those



from wealthy families can have similar amenities to help them in doing their homework. All of them should have access to electricity, so as to have a better learning environment in their homes. I know people are saying they cannot afford electricity, but the cost of paraffin can even be higher than that of electricity. Currently, this is in high demand and there is a lot of pressure for the Last Mile Connectivity Project to reach all the villages. I know it is not possible to do so immediately, but I believe this is a good idea which needs to be fast-tracked, so that our people can get access to electricity.

The amount of over Kshs100 billion which we are allocating is a good and worthwhile investment, so that we can get more tarmac and murram roads in this country. Some of our roads are in pathetic conditions and we need to improve them. I am happy some of this money will be used in my constituency. There is a road which is earmarked for tarmacking and which will be launched this Saturday, and it will benefit from the funds allocated for infrastructure. This is a welcome move.

The idea of extending the Standard Gauge Railway (SGR) towards the lake region is a good one. This idea by the Jubilee Government is quite welcome. I am happy that in the next phase, the SGR will pass through Bomet, so that our region can also open up. Previously, it passed through the upper side and those of us in the South Rift were not benefitting that much. Through this initiative, we will also benefit.

On the issue of food security where we are allocating about Kshs11 billion for crop production, this will alleviate starvation in this country and stabilise food availability. This needs to be encouraged, especially the idea of having subsidised fertiliser which will benefit our farmers, including tea farmers in my constituency, who have never benefitted from debt write-offs. Through subsidised fertilisers, the farmers will, at least, get some relief, so that they can produce more tea for export and earn this country foreign exchange which is much needed.

I know we are creating a big budget deficit. When I go through the Budget Estimates, I can see we are likely to collect about Kshs1.7 trillion yet we are making a Budget of nearly Kshs2.6 trillion. There will be a shortfall of Kshs800 billion. That is a huge gap which needs to be bridged. Some of the items which we are allocating funds to, which may not be of priority in nature, may need to be shed off from this.

If we implement this Budget faithfully, we will achieve an economic growth rate of about 6 per cent. This can be of great value to this country so that we can reduce the level of unemployment. If we can have a higher growth rate, the issue of unemployment will be addressed. We will have more job opportunities for our people and that will be quite welcome.

The Kshs7.7 billion set aside for the Equalisation Fund in this Budget is a good idea which is trying to address the issue of marginalisation. I tend to think that the way marginalised counties were identified might not have been the best. I do not think those are the correct names which we have in the Constitution. At a certain stage, we need to revise that. When you think of a county like Bomet which has no other source of income, and neighbours a county like Narok which has the Maasai Mara Game Reserve that generates about Kshs3 billion annually and we are giving them an additional Kshs800 million annually through the Equalisation Fund, it is very unfair. This needs to be relooked into, so that the list of the counties that will benefit from the Equalisation Fund can be addressed. That is why a county like Narok can pay bursaries for all its children in schools while the neighbouring county of Bomet is struggling and can hardly do that.

On the teachers' issue, which I am passionate about, I am a little bit happy that, at least, something has been factored in. About Kshs13 billion has been set aside to address the issues which were agreed through the Collective Bargaining Agreements (CBAs). Something small has

also been set aside for the recruitment of more teachers. What we learned during the doctors' strike was very unfortunate. An intern doctor earns a minimum of Kshs196,000 while his counterpart in the Teachers Service Commission (TSC) earns about Kshs35,000. Those are fellow graduates who went through the same university. That is grossly unfair. The SRC is an irrelevant commission which we may need to scrap because it is not able to harmonise the salaries of the employees of the Government of Kenya inclusive of the ones in county governments. Those are the issues which we really need to relook into.

I can also see the Ministry of East African Community, Labour and Social Protection will benefit through an allocation of about Kshs1.7 billion which is also inadequate because they need to address issues to do with labour. This amount may not be adequate. This is an ignored Ministry. That is why we have a Cabinet Secretary (CS) in that Ministry who we may consider incompetent because she is not easily accessible. If you are able to access her---

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Tonui, because of your trade union history and the line-up, I will give you a minute to wind up. Have you finished?

**Hon. Tonui:** I have not yet completed. Hon. Temporary Deputy Speaker, I was talking about the Ministry of East African Community, Labour and Social Protection. This is a key Ministry which needs to address issues to do with labour. They need to ensure that there are good working conditions for our people. The people who work in this country are our people. We need to have strong leadership in that Ministry. We have a CS, whom I consider highly incompetent. I have been to that office quite a number of times and sometimes she refuses to see people especially those in labour unions because she feels inadequate to sit with them, argue and ventilate on issues. I believe the Jubilee Government will win in the next elections and the people whose appointments we should approve should be very competent, so that they can address the issues which prevail there.

On the issue of education, kindly allow me to mention that I am happy that we are increasing the Free Primary Education (FPE) funds to around Kshs21 billion. The pledge of the Jubilee Government to provide laptops is now becoming a reality. I believe 50 per cent of the schools have received laptops. On Thursday, one of my schools will be receiving the laptops. Last weekend, I went to two schools which were receiving laptops. One of the Principal Secretaries (PSs) will also be in my constituency on Thursday issuing the laptops.

I believe the Jubilee dream is being fulfilled. The issue of Free Day Secondary Education funds, which is now being adjusted to about Kshs35 billion, is welcome. I believe the vision by the Jubilee Government that by 2019 we should have free day secondary schools so that our people can access education needs to be encouraged and strengthened.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Tonui, you have done justice to the Jubilee Government and the trade union. Let us have Hon. Chachu Ganya, Member for North Horr.

**Hon. Ganya:** Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to support the approval of the Budget Estimates for the 2017/2018 Financial Year. As always, I want to commend the Budget and Appropriations Committee for the good work done.

I have just very few remarks to make. I want to appreciate the fact that even this year, as we have done for the last five years or so, we have continued to invest in major infrastructure projects in our country. If we are to grow as a nation, we have to invest heavily in our infrastructure, the SGR, airports and other sectors. I am also happy to see that the funds in the Budget for this year have been factored in to the tune of Kshs7.7 billion.

I will assume we are being paid some of our arrears which have been outstanding in the Budget for this year as per the Constitution. After almost five years of a long wait, these projects are now being implemented. For the first time, some Ministries have already advertised for some major projects in all the 14 marginal counties and we are really happy to see this. For sure, the support we were given as Members of Parliament by the Budget and Appropriations Committee must always be appreciated and commended. It has taken the national Government quite some time, almost five years, to implement these projects.

Today, most of the key projects have been advertised and very soon, they are going to be awarded to contractors and we will see major projects going on in about 14 or so of the marginal counties.

Hon. Temporary Deputy Speaker, investment in development projects in this country is still very low compared to the national standards. At least, 30 per cent of the development funds of the national Budget should be earmarked for major development projects. If you look at our Budget as per the Report of the Committee, it is less than 30 per cent. They are yet to give us the exact figure, but I assume it might be something like 25 per cent. This should not be encouraged. We should push our Government to invest more in the development sector as much as we use most of our money on recurrent expenditure.

Also, more worrying is the fact that even as we have these mega projects going on, the absorption rate of the funds is not very encouraging because of technical or legal reasons. Kenyans are now very good in litigation. Maybe, there are many reasons why Ministries and State corporations are not able to spend the money as they should. The fact of the matter is that the absorption rate of our Budget is still not encouraging.

One concern I have noted from the Report is the non-performing loans that we take as the Government, especially from banks and the private sector in this country. In terms of performance, it is not very encouraging. According to this Report, the non-performing loans for this year are about Kshs15.4 billion. That can be improved. Of course, it has been noted by the Budget and Appropriations Committee and I hope going forward, this issue will be addressed.

We allocate a lot of funds every year, and that is demanded by the Constitution, to our counties. However, we need to streamline and put the necessary structures and procedures in place to ensure serious accountability and transparency. As we appreciate devolution and the fact that so many of the marginal counties are getting a lot of money now, there should be some level of responsibility to ensure that these funds are put into good use. With good budgeting, and if our governors are good at managing the challenges they face in the counties, I do not think many people would have suffered from drought as they have this year.

For instance, what reasons will you give for Turkana County getting over Kshs11 billion if not more, Mandera or Marsabit counties getting over Kshs7 billion every year? If we have that amount of money available to us in our counties, let alone what we will get from the national Government, why should our people suffer? Why should it cost so much money to buy food or livestock feeds to save our take off breeding stock for livestock farmers? The issue is poor planning in most parts. Wherever they implement projects, they are done in a haphazard, inefficient and ineffective manner. That is why we do not realise value for money.

As much as the national Government gives counties all this money as dictated by the Constitution, we should also go ahead and make sure that we have institutions in place to ensure accountability for the money and transparency being the key issue here. At the same time, we should build counties' capacities because a lot of resources go to our counties. If, in the last three

to four years they have had teething problems, it cannot be forever. At one point, we must invest and ensure that those resources are used in a prudent manner.

With those remarks, I support the Report of the Budget and Appropriations Committee.

**The Temporary Deputy Speaker** (Hon. Omulele): Very well Hon. Chachu. We shall now have the Member for Baringo, Hon. Grace Kiptui.

**Hon. (Ms.) Kiptui:** Thank you, Hon. Temporary Deputy Speaker, for this opportunity. I support the Motion. I would like to congratulate the Budget and Appropriations Committee for a job well done considering the constraints in time. This being an elections year and the fact that we have moved the Budget date backwards, they have tried under the chairmanship of Hon. Musyimi.

I congratulate the Committee for having remembered to ensure that the police and security forces are well taken care of. However, they forgot something. What is missing is the allocation for the Kenya Police Reservists (KPRs) who were employed recently and deployed to areas that have insecurity problems like Baringo, Samburu and Elgeyo Marakwet counties. It is not fair that we pay the regular police and not consider allowances for the KPRs because they are doing much more than the regular police.

*(Hon. Ichung'wah stood in his place)*

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Member for Kikuyu, Hon. Ichungw'ah, thank you.

**Hon. (Ms.) Kiptui:** Another aspect is the provision for infrastructure development in the country. I am very hopeful on this because I know once infrastructure is taken care of, people will move goods from one place to another and they will create jobs. A case in point is the SGR where we know that along its route, there will be many offshoots of developmental factors that will encourage people to do business and create employment for our young people. We know for sure that the youth in this country are unemployed. The unemployment rate is very high and we feel this when we are in our rural areas. Whenever you have a meeting, you will hear parents saying that they have educated their children, but they have not been employed and this is a real issue in our country. By doing infrastructural developments like the SGR and the Last Mile Connectivity Project, we will create employment in our country. It is also very important that we get allocations to our transport sector,

The other thing I am very hopeful about is the issue of sanitary pads. The money was always in the Ministry of Education, Science and Technology, but its impact was not felt. It is now clear that it has been moved to the National Affirmative Action Fund and it will be a direct benefit to girls in schools, especially in rural schools which have a minimal amount of money. Their parents cannot afford to take them to boarding secondary schools. Many girls in day schools miss school because of lack of sanitary pads. I am very glad that this problem is being addressed. The Budget has taken care of that expenditure and so, our girls will not suffer anymore.

The issue that caught my eye is the Equalisation Fund. My wish is that we amend what we have here, so that more deserving counties can benefit. For example, Baringo County should have qualified, which was below the line. I was told that Baringo did not qualify because of the kilometres of tarmacked roads that it has. However, many other counties with more kilometres of tarmacked roads have qualified to benefit from the Fund. In that respect, we should be absorbed because ours is an ASAL area. We needed to benefit from the Equalisation Fund to help us come

up with programmes that will hasten development in Baringo County. Some parts of our county are very remote. We needed to hasten development in these areas, so that they are at par with the other parts of the country. It is not fair that we are denied the Equalisation Fund because of kilometres of tarmac. There are many other factors that would have been considered, for example, unemployment and lack of schools like we have in Baringo County. The money we have been denied would have been used to enhance development in the county.

Some money has been allocated to the Independent Policing Oversight Authority (IPOA). That institution has been crying foul for a long time now. It claims that it does not have office space. I am glad IPOA has been given money even though it is not the exact amount it had requested. The money will help IPOA to get office space which they very much need in order to carry out their activities effectively. It will be even easier for them to open branches in other parts of the country, so that they are not only located in Nairobi. It will help them to do their work, which I feel is very sensitive because they have to curb abuse by police officers while on duty.

The other thing is devolution. It is high time county governments were ordered to show the amount of money they collect within their counties. We focus more on national collections and forget the collections from counties. Such money should be factored in the Budget. As it is now, we do not know how much county governments collect and what they do with that money.

With those few remarks, I support.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Kiptui, those are very good submissions. It is noted that there is a disconnect in budgeting between the national Government collections and the county government collections.

Hon. Manson Nyamweya, Member for South Mugirango.

**Hon. Nyamweya:** Thank you, Hon. Temporary Deputy Speaker, for giving me a chance to support this Budget. I have a serious concern. While we are showing very good figures in our Budget; a figure of Kshs2.6 trillion, in reality, it is based on high economic activities, increased revenue collection from the Kenya Revenue Authority (KRA) and an economic growth of more than 6 per cent on the GDP. When you look at these issues keenly, you will realise that the Budget is not realistic. We are going through an election year and, therefore, economic activities will be hindered. We are experiencing drought and that means that the expected revenue collection will not be achieved. There is need, even before another Budget is read, for us to review the last financial year's Budget. We need to understand what happened in the last financial year. We need to know whether the programmes which were set were achieved. We are discussing a Budget as if it is the first budget we are having. There is need to record how we performed in the last financial year. We need to know whether the activities that we budgeted for took place or not.

The first charge on our Budget is the Consolidated Fund, which takes quite a substantial amount of money; Kshs669 million. When you add to that the amount of money given to pensioners, the amount rises close to Kshs700 billion. The amount allocated for these two mandatory items is above the amount allocated for environmental projects. There is also the Recurrent Expenditure, which takes Kshs900 billion. Capital expenditure is left with Kshs600 billion. The point I am trying to make is that the Budget is not realistic. I have looked at the amount allocated for roads. I have also looked at the record on the number of roads that have been commissioned across the country. The amount of money allocated for infrastructure and transport is a drop in the ocean. As the National Assembly, we have been mandated to make the

Budget. I have always said so. It is the National Assembly which allocates funds and the Executive gives us the Budget. Once you have allocated money, it is used.

There has been talk everywhere that one has to be in the Government in order to get development projects in his or her area. I want to tell my colleagues here and people out there that funds are allocated in the National Assembly of the Republic of Kenya and that is what we are doing today. We are now in the budget-making process. We approve funds here. The Cabinet Secretary (CS) for the National Treasury will read the Budget and that is when various agents of the Government will draw funds for usage, be it for roads or water. It has to be very clear to everybody that, that is how the Government works. We should not listen to propaganda being propagated around that one needs to be in Jubilee to get development projects. No! Funds are allocated in the National Assembly of the Republic of Kenya. That is why we are seated here today to discuss the Budget.

What worries me in this Budget is the amount of money which has been reduced from the allocation for the National Police Service (NPS). We are going through an election year and yet they have cut money meant for modernisation of the NPS. If you start a project, do it halfway and then you fail to inject more money into it the following year, you will surely get white elephant projects. It does not make sense for the Government to stop modernising the NPS. We need to have in place a modern NPS. We need the police to have better housing. It is unfortunate that a good amount of money that would have gone towards that effort has been reduced from this Budget. Even the budget on leasing has been reduced. We are in an election year and if you reduce the amount of money allocated to cater for leasing expenses, it means that even the vehicles which are taken to Toyota Kenya for service are going to break down. How are they going to move from one point to another? It is saddening. We need to look at the figures because figures do not lie.

I have looked at the deduction of money in the Ministry of Interior and Coordination of National Government. This is not acceptable. What is going to happen? There will be over-expenditure. They will spend without authority because they must run and then we will raise unnecessary queries. We are seated in the National Assembly and we should give them money because we know they need it. It is not something we do not know, but because we want to balance books and look ambitious, we reduce the amount. We know very well they must get the money.

I have looked at another area, the area of sanitary towels for girls in primary and secondary schools. My colleagues here said that money has been allocated to that item. The money has been reduced. An amount of Kshs400 million has been reduced in the State Department of Planning and Statistics. An amount of Kshs400 million has also been reduced in the State Department of Basic Education. This is meant to touch the poor in society. My colleague was saying here that the money has been increased. I do not know where he was reading because clearly, the money has been reduced. So, we have a challenge on whether we are serious in passing things which are going to be implemented.

Then I go to the issue of the cash transfer where there are various sub-headlines. The amount has been reduced instead of being increased. When I go home, they ask me where the money for the aged is. The money has been reduced. It is a challenge. We need to be honest to ourselves because this is our country. We must say that this is what we have and this is what we are sharing instead of saying that we are going to do so much and allocate little money. For example, on the issue of doing roads in this country, everybody is being promised a road when you know there are no funds to do the roads. For you to get the road, I am told you must be in

Jubilee. However, funds are allocated by the National Assembly of the Republic of Kenya and that is what we are doing here today. So, this propaganda must come to an end.

Upgrading of slum areas is a key area. About Kshs450 million has been removed for that programme. How do we reduce poverty and create equity if we reduce money for upgrading of slums? We just removed Kshs450 million. I have talked about the police where money has been reduced. I am talking about upgrading of slum areas where money has been removed. Overall, you try to look at the growth of our national debt from 2013 to date and it is so huge. Therefore, there is need for us to be more realistic and pass a Budget which we can implement.

I come from Kisii and I can see that Gusii Stadium has been allocated some money. I wonder what it is for because there is even an audit query that funds which were allocated for that stadium have not been used. Are we coordinating as the National Assembly and the county governments or are we giving figures for the sake of giving figures? This is not the first time I have seen money being allocated to Suneka Airstrip. Money was allocated in the last financial year and no coin was given.

With those few remarks, I support, but the Budget is not realistic. It is not meeting the target. It is public relations exercise. We need to go back. What did we do with the Budget that we passed last year? Did we meet the targets? This will ensure that we are realistic for what we have. I thank the Committee. They have done a good job, but they need to go back.

**The Temporary Deputy Speaker** (Hon. Omulele): I will add Hon. Nyamweya a minute.

**Hon. Nyamweya:** Thank you, Hon. Temporary Deputy Speaker. I would urge the Committee that will be there, since there will be another Committee and if the Chair comes back and is honoured to be the Chairman again, that they will need to audit and check the performance of Ministries that they have given money to ensure that it is prudently used before they allocate more money to them. I was in France the other day and they have a Committee on Finance and Budget, chaired by the Opposition and they share information. They check whether the money they allocated the previous financial year was properly used before they allocate more money. For us, it appears as though there was no Budget before. It is like we are starting on the current Budget.

With those few remarks, I support.

**The Temporary Deputy Speaker** (Hon. Omulele): Very enriching comments, Hon. Nyamweya. Let us have Hon. Joseph Manje, Member for Kajiado North.

**Hon. Manje:** Thank you, Hon. Temporary Deputy Speaker for giving me this chance to support the Budget Report of the 2017/2018 Budget. This is a Kshs2.6 trillion Budget and it will go a long way to do justice to Kenyans. This is a good Budget, but I would like the Committee in future to consider what our country is based on. Kenya is an agricultural-based economy and that is where we should start from, so that we can improve our country.

In 1978, our economy was doing very well. Remember we were compared to countries like Singapore and Malaysia. We lost track because those who had the vision did not anchor it very well to other Kenyans. If you recall, in 1978, our agriculture sector was doing very well. Our pyrethrum sector was number two in the whole world. Our tea and coffee were doing very well. Cotton was also being grown in the country. Our sisal plantations were doing very well. This sector was really employing Kenyans. Most Kenyans were getting employed directly from school. Our manufacturing sector was doing very well. If you recall, the textile industry with factories like RIVATEX was doing very well. This is where we needed to direct our resources. If you want to create employment, you have to direct resources to production. From that time, we have not been directing our resources towards production.

The amount of money we are giving to the State Department of Agriculture is about Kshs16 billion and Kshs6 billion goes to the recurrent budget. What goes to capital production is only Kshs10 billion. If you compare the State Department for Agriculture to other departments, you will find that it is underfunded. We need to look into the State Departments in the Government which are directly involved with production of basic necessities like the State Department of Livestock, Fisheries and Blue Economy and Irrigation. If we compare and see the amount of money that we give to them compared to other departments, we will realise that we are not taking resources where they are required. We need to have a marshal plan to alleviate unemployment in this country. If you visit several parts of our country, you will find so many idle youth. This means that we are missing the point because we are not directing resources to the production sector.

I combined all these sectors and realised that they are getting a total of about Kshs42 billion. It is good to do mathematics, so that you can understand that we are not directing resources properly. If you look at all the five State Departments of the Government that I have mentioned, they are getting a total of Kshs42 billion.

If you compare them with only one department, for example, the State Department for University Education, which is getting about Kshs98 billion, that is more than twice the allocation in the agriculture sector yet our economy is based on agriculture. I think we should have a paradigm shift in where we take our resources, so that we can start employing our youth who are idle in our towns.

We should direct resources to the right direction. The State Department for Social Protection is getting about Kshs24 billion, which is more than the allocation to agriculture, meaning that we have given priority to protection instead of production. If we take the right direction, this country will be realigned to where it was and our economy will start growing again, competing with economies like Malaysia.

I support the Report. In future, we should try to cater for that.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. David Ochieng', the Member for Ugenya.

**Hon. Ochieng:** Thank you, Hon. Temporary Deputy Speaker, for this opportunity. I want to thank the Chairman of the Budget and Appropriations Committee for, at least, this time around, bringing this ritual earlier. It is a ritual because, as Hon. Manje has said, nothing earth-shaking or ground-breaking is here. It is as usual. Pay salaries, allowances, stipends, do not produce and consume. That is what we have here. We are a country of consumers and we aspire to industrialise. We aspire to be a first nation in 20 years. It is not possible.

We have been here for the last four years and like I said, it has been a ritual. We go through this every year. Some Ministries do well, others do not absorb the budgets we give to them, but above all, our budgets have never balanced. Every year, we do one Supplementary Budget after another. We do not apply the ethos of budgeting. Our arithmetic does not add up because we do not intend to balance our budgets. Every year, we present figures, the Ministries pass those figures, our revenue collection does not match what we propose to collect, but we still keep going. So, basically it is a juggernaut. It goes on.

The way the Constitution was structured was such that this Parliament will rein in on expenditure that is unnecessary. That we would budget and the Executive would implement. But it is not so. If you ask me, the Executive budgets and we just adopt. That is why you heard Hon. Manson say that we should not be talking about the Jubilee Government, but we should be talking about Parliament. But that is not so because, again, the Executive does not implement the



Budget we give to them in a fair, objective and non-discriminatory manner. Money is approved here, but you find projects being taken to some areas and not others. That is the role of Parliament. I thought that before we pass this Budget, the Budget and Appropriations Committee would report to us that, last year, we approved this Budget, this is what was done, this is how the money was distributed not just across the Ministries, but across the regions of the country. This is lacking. I hope the Committee on Implementation can in the future do this before we go to another Budget.

What is appalling, even as we do this Budget that is now headed to Kshs2.7 trillion, is that we just have hunger everywhere. People are hungry not just in Marsabit and Mandera.

A lot of people think that problems only affect people in Marsabit and Mandera counties, but the truth is that even in Nairobi, some people sleep hungry every day. Very few families can afford two meals in a day in Kenya. Hunger is not just in Wajir and Turkana counties. Therefore, we have to put money aside to ensure that we have food security in the country.

We do not need roads if people have no food. Who will work on the roads if we do not have water? We do not need a railway. Who will go to the railway if people cannot work because they are not healthy? We needed to put our money in important areas. In my opinion, Kenya must first of all be able to feed her people before we think about grand projects.

The Members will confirm that children in all secondary schools across the country have been sent home because parents cannot afford to pay Kshs3,000 because they could not find jobs. It is a shame that we have approved a Budget of Kshs2.6 trillion yet our children are at home because their parents cannot afford to pay school fees. My constituents travel to Moi Teaching and Referral Hospital, Eldoret, and to the Kenyatta National Hospital, Nairobi, as well as to Kisumu, to access basic health services because those services are not available in the constituency. We have devolved health services. There are things that county governments can do to ensure that people access basic health care services. The national Government can set the pace in terms of the kind of health services they want county governments to provide. We cannot have every county having its own template. After some time, we will not have universal health care services if the national Government does not lead that process. We cannot blame county governments alone on matters of health.

If you look at the Sessional Paper that has been talked about all the time, you will realise that the rallying call of the Government of Kenya at Independence was to fight disease, ignorance and poverty, but we have not done so to date despite the fact that we have been having incremental Budgets for the last five years. I plead with the Ministries concerned to up their game. We are in a country where anything can happen. You do not know who will do the right thing. People in this country have learnt that even if you do the wrong thing, you will get away with it. I plead with the Ministries concerned to ensure that we do the right thing. If you are given money to provide food, fertilizers and water to the people, please, do so. It really hurts that in this age and time, the President and the Deputy President can switch on electric lights in a grass-thatched house that is about to fall down. The President was taken there to launch what is called "The Last Mile Project." It is a shame we see that on television every day. I am happy Hon. Ababu is here. I hope he is not the one raising a point of order.

**The Temporary Deputy Speaker** (Hon. Omulele): It is Hon. Melly. What is out of order?

**Hon. Melly:** Hon. Temporary Deputy Speaker, is it in order for the Member to insinuate that it is wrong for the President to switch on electric light in a rundown house or even in a grass-

thatched house? Does it mean that he is the President of the rich people only? He is the President of all Kenyans.

**Hon. Ochieng:** Hon. Temporary Deputy Speaker, I like his choice of words. It is, indeed, wrong for the President to switch on lights in a rundown house. It is, in fact, a shame. What if that house falls down tomorrow? You rightly said “rundown”. You cannot support that as a Member of Parliament. Hon. Ababu has presented a Bill on rural housing before this House. I hope we will pass it before the end of this Parliament. You must do sequencing. It is very important to know which one comes first, second and third. The first thing is to help somebody to get, at least, a semi-permanent house and then think about supplying that house with electricity.

Even in budgeting, sequencing is very important. Which one comes first? You are building a railway using half a trillion shillings. Which is the best thing? Is it setting up an industry in Kenya to reproduce bolts and nuts or importing them from China? Sequencing is very important. In everything we do, we should be creating jobs for our young people. We should invest in development of local industries. We should do sequencing in terms of building the capacity of local contractors to build roads. That is what we should be doing. That is how we create jobs. That is how the economy grows. It rarely grows by throwing good money. The economy rarely grows by hoping that if you launch projects, you will achieve something. You do not do that.

Therefore, as we pass the Budget, the most important thing is efficiency. If you budget for Kshs10 and you use it wisely to get what you want, you will achieve your objectives. In Kenya today, a bulb which costs Kshs1,000 in a supermarket is supplied to the Government at Kshs5,000.

We are not doing the right thing and yet we allow it every year in our Budget! We do not follow up on the money we allocate. We do not even require Ministries to account. If you ask them to do so, they threaten to remove the Auditor-General. If you ask the Auditor-General, he says, “This has not been done the right way.” It is because we do not intend to do the right thing. Even Members of Parliament, you see us talking to heads of parastatals telling them they have not done well in certain areas. We even ask how we can help them. Instead of sending them to jail, we want to do deals with them. How can oversight happen when you do deals with people you are supposed to oversee? We are killing this country, but we keep doing it because we think the country is ending tomorrow. The country is not coming to an end any soon. In fact, the stealing will continue for the next many years. Even as we pass this Budget, we need to realise that we are in this as a country. There is no Republic of Nyanza, Murang’a or the Rift Valley. This country is called the Republic of Kenya and we must build it together. If you build Murang’a and you do not build Siaya, the country will not grow.

**The Temporary Deputy Speaker (Hon.):** On account of passion, I will add you two more minutes.

**Hon. Ochieng:** Thank you, Hon. Temporary Deputy Speaker. In four months’, we are going to elections. We need to unite our country. What brings us together even as we go to the elections? Why is one side saying that one side is going to rig elections? It is because we have not built trust. We must start to build trust here especially in the way we conduct the budget process. So, if Ochieng, Mwaura and Mwaniki can equally access water, medicine and other services, then elections will be based on issues and policies. You will not have to whip your tribal backgrounds if these services are provided the way it is envisaged under the Constitution.

If we allocate resources equitably, we will not go to the elections fearing that there will be violence.

Money has been allocated for use by the elderly of this nation. You will see it being given out in a skewed manner. If you are a Member of Parliament, you have to go plead at the Ministry in order to be given money. So, as I congratulate Hon. Musyimi for having done a very good job within a very short time. I hope we can refer to this Committee, our institutions of oversight, the Budget Office, the Auditor-General's Office and the Director of Public Prosecutions (DPP) office and allow them to do their job, so that this Budget is implemented.

Thank you so much and I hope elections will happen within a framework that allows us to build trust among ourselves.

**The Temporary Deputy Speaker** (Hon. Omulele): That is a very profound contribution. The reaction from Members speaks for itself. We shall have the Chairman of the Departmental Committee on Agriculture, Livestock and Co-operatives.

**Hon. Nooru:** Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity. I am sorry my card seems not to be working and I was just waiting for this opportunity.

From the outset, I join my colleagues in thanking the Chairman of the Budget and Appropriations Committee. He has been chairing this Committee under very difficult circumstances for the last four years that we have been in this august House.

I thank the last two speakers, Hon. Manje and Hon. Ochieng, for raising an alarm on the aspect of agriculture and food security.

I have been chairing the Departmental Committee on Agriculture, Livestock and Co-operatives for the last four years and I want to raise a red flag this being the last Budget for this august House because I do not know how many of us will come back to the 12<sup>th</sup> Parliament. It is really pathetic that the agriculture sector which has been the backbone of our economy for the last 50 years has been given peanuts. It got less than 0.5 per cent of the GDP of the country. I do not know who deserves better allocation of resources in this country than this sector.

At the expense of agriculture, we have given priority and preference to infrastructure, energy, education and health. In as much as education is important, can a hungry child go to a class and learn? We do not think about food security in this country. Kenya is signatory to the Maputo Declaration where it was agreed that 10 per cent of the GDP in any country should go to agriculture. Today, less than 0.5 per cent has been allocated to agriculture even though there is the devolution aspect which came with the new constitutional dispensation that agriculture is devolved.

As much as these other sectors are devolved, priorities and preferences are given to infrastructure which got over Kshs100 billion and education which got almost 50 per cent of total Budget. Agriculture is a production sector which services the entire economy and Ministries in charge of security and defence. We have got our priorities totally wrong. I have been raising this matter, but I always get the answer that agriculture is devolved. But as much as it is devolved, how much do the counties allocate to the sector? Nobody knows. It can be zero, 1 or 2 per cent. There is no coordination in terms of allocations to this sector.

The Jubilee Government came up with very good policies in terms of diverting agriculture from rain-fed to irrigation. But a policy without resources being allocated does not serve any purpose. The Jubilee Government promised Kenyans that they would irrigate one million acres of the ASAL lands. In our high potential areas and bread baskets of this country, the land and soils are being unproductive. We have been using fertilisers of any kind. Acidity is

increasing and the land is diminishing because of sub-division. The only way we can feed this country is by irrigation. As I speak, the National Irrigation Board has a debt of Kshs4 billion. In the 2013/2014 Financial Year, they were given Kshs16 billion and in today's allocation, they have been given less than Kshs9 billion. I do not know where we stand concerning this issue.

Let me touch on the issue of extension officers in this country. All the colleges which used to train them have either been acquired by universities or handed over to counties. Since when did training become a function of the counties? I do not know how they will develop their own curricula and syllabuses to train extension officers. The national Government has negated the aspect of diplomas and certificates for extension officers who assist farmers. Mechanisation and value addition of agriculture has been given less than Kshs10 million. I think we are treading on a very dangerous path.

The combination of agriculture, livestock, fisheries and blue economy in this country has been allocated less than Kshs30 billion.

The Ministry of Education, Science and Technology is getting Kshs21 billion for the FPE and Kshs35 billion for the FSE. The two total to Kshs56 billion. Just 1 per cent of what has been allocated to the two institutions has been allocated to the three critical State Departments.

Look at the drought that occurs every year and clears all the herds and livestock which make up almost 50 per cent of the arid and semi-arid land mass. Millions of Kenyans depend on that livestock population. Every year, they become poorer and poorer. They have no market for their livestock because of the disease that has never been looked into. Our veterinarians are not well trained. They are not with the people. We do not know who employs the few veterinary doctors who are there. Their terms of service are very poor. They do not have internship. The whole situation is really wanting. We do not know why we keep mitigating drought when we do not address the issues in the long-term. We always come in for the short-term as an emergency and then run around to look with Kshs5 billion. When the short rains or showers come, that is the end of it. We wait for another drought to come and then we run around and try to mitigate drought. This is very poor planning. We need to look at these issues in totality.

The other issue that has been mentioned is the issue of climate change. What are we doing about climate change? What resources have been allocated to this? How have our scientists been motivated and facilitated in terms of looking at the consequences and effects of climate change? We are getting our priorities very wrong. We need to look at the factors and see how best the issue of agriculture and food security can be better addressed than what we are trying to address. This sector employs almost 60 or 70 per cent of Kenyans.

The Government is trying to develop the issue of youth for agriculture. Farming has been left to aged mothers and fathers who are 70 to 80 years. The youth are not encouraged to go into agricultural production. There must be some kind of motivation and incentive to encourage our youth to join the agriculture sector. The Government must come up with a proper policy because the issue of youth in every sector that has been tried has failed. It failed in the National Youth Service (NYS). The work for youth has also failed and so, we do not want this one to fail. This could have created job opportunities for our youth.

Finally, on the SRC, if you look at the graduates that leave university today to join county governments *vis-a-vis* the ones who join the Civil Service at the national Government, for example, County Commissioners and their deputies, what are their earnings? You cannot understand whether we work under the same Government or whether these people have gone to the same schools or different schools. There is a lot of disparity. We have a commission that is supposed to harmonise employees' salaries.

**The Temporary Deputy Speaker** (Hon. Omulele): Chair, are you done?

**Hon. Nooru:** Yes.

**The Temporary Deputy Speaker** (Hon. Omulele): Very well. Hon. Melly, I see you, but not in that way. I see Hon. Robert Mbui, the Member for Kathiani.

**Hon. Mbui:** Thank you very much, Hon. Temporary Deputy Speaker, for this opportunity to contribute to this debate on the Budget Estimates for the 2017/2018 Financial Year.

First, looking at the new Constitution and the timelines that we have come up with, the issue of the Budget is becoming extremely tricky. You can see we are now discussing the Budget and a month from now, most of the Members of this House will be carrying out nominations in their political parties. This basically means that right now, most Members are out there seeking for votes for re-election.

The timing of this discussion is already a problem in the Constitution that needs to be looked into as we go into the future, so that we do not have a situation where very critical issues of utmost importance for the nation are discussed in an empty House. That is one thing that we need to look into and find a solution to. When elections are around the corner, most Members, even if they are in the House and are contributing, will obviously be distracted by the political atmosphere in the country, which is extremely vibrant right now. That is one of the issues.

Hon. Temporary Deputy Speaker, this is an extremely ambitious Budget of Kshs2.6 trillion. It looks very good on paper and sounds very good on radio. The country seems to be rich. We are very happy saying that we took over this country when the Budget was a few hundreds of billions and it has risen to more than a trillion. It is now more than Kshs2 trillion. But what is the truth? The truth is that the money that makes up this Budget is not available. We are going to have a huge budget deficit. We had it last year and the year before and we are plugging it with borrowed funds. When you borrow, you are actually putting a burden not only on the current generation, but also on the future. We know that this country is headed in the wrong direction.

You borrow money so that you can invest and make more money than what you borrowed and pay it back with interest and remain with a profit. Here we are borrowing money, but what are we doing? We are paying huge salaries. That is one of the issues that I have noticed. We are paying huge per diems and have fuel guzzlers. We have 47 motorcades in this country for the county governments, and for almost every CS. Of course, the President and the Deputy President deserve it but, this is a country that is borrowing money to spend on luxuries. We are borrowing money and investing it in high expense, but very low value projects.

I will give examples of two projects, namely, the SGR and the LAPSSET projects. If the initial plan was to succeed, the projects would make sense. Currently, if other partner States within our East African Community are no longer participating, then, basically, we are looking at a situation where we are borrowing money and investing in projects that are time and money wasters. So, we need to be careful as we continue to borrow in the future.

We also have irresponsible allocation of funds. I have noticed that a lot of the money that we pass in budgets is used for political reasons. When the Jubilee Government came to power, they talked about things to do with laptops for primary school children. In the four years that I have been in this House, I have asked myself the economic value of the laptops. In fact, they were promised in 2013, we are going into 2017 and they have only been given to Standard One children. When you look at the way we are spending our money, it is irresponsible.

We are spending money on roads and it is a good thing, but what is the strategic plan on the road distribution network of this country? Many times, we are doing roads because they are politically-correct. I have seen situations where the Head of State goes and commissions roads all over the place, but when you look at it, it is politically motivated because we are seeking for votes and support from the people for re-election. We go and promise them roads. I have seen situation where the President goes and launches a road and within two to three days, all the equipment has been moved out of site because it was basically politically motivated. Unfortunately, money is put aside for such projects. This is something that we need to look into seriously to ensure that these problems do not continue.

We are funding devolved projects, for example, health projects. I know there are some levels of hospitals that we can handle as a national Government, but you are all aware that we have had situations in this country where money is lost in the Ministry of Health simply because it is available to be stolen.

I saw clinics in Mombasa that had been bought for the slum upgrading project and the value of those clinics was outrageous. These are the issues that we need to address. These are the issues that need to be discussed when we are a full House, so that mistakes do not occur. Those mistakes could affect future generations of this country. We need to be careful, so that we do not allocate resources irresponsibly.

We also have a problem of corruption. We allocate money, but a lot of it is stolen. A certain school girl asked whether in this country there is a budget for corruption and one person answered that there is a huge budget for corruption. The reason we say there is a budget for corruption is that when money is allocated and it is not taken care of, chances of it being stolen are very high. You know that campaigns have started. In Machakos County, where I come from, many aspirants and Members of Parliament are flying all over the place with helicopters dishing out handouts to people. We know that two or three years ago, these people were borrowing, say, Kshs5,000 in this House. Where is the money they are dishing out coming from? Is it not money that has been taken out of this Budget? We have to be careful. We do not want to give out money which will in turn be used to campaign against us and our leaders.

It is important that we start looking very keenly at how these people are spending money. I will do a report on Machakos County. I will be on the lookout. I know the Members of Parliament who are going around in choppers do not have that money. They cannot afford such spending. I want to find out where the money is coming from. They are all over the place with choppers. We need to know where the money is coming from.

**Hon. Chepkong'a:** On a point of order, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Chepkong'a, Member for Ainabkoi, I heard your voice above everybody else's. There are many points of order. What is out of order?

**Hon. Chepkong'a:** Thank you, Hon. Temporary Deputy Speaker. I stand pursuant to Standing Order No.83. Is it in order for my very good friend to claim that he knows that there are some people who have stolen from his county and yet he has not reported that to the Ethics and Anti-Corruption Authority (EACC)? I am the Chairman of a Committee that oversees the EACC. He ought to have been the first person to report. You do not require any appointment to go to the EACC, a police station or any office of the Directorate of Criminal Investigation (DCI). If he has evidence, he only needs to visit the EACC. If he does not like the EACC, he can go to the DCI. He can even go to the ombudsman, which I also oversee. It is unfair for him to tell Kenyans that there are thieves and yet he is doing nothing about it.

You know, just as I do, there is something called private citizens arrest. In fact, I expected him to have arrested the person he is talking about. He should not even be walking around. He is under constitutional duty to arrest such kinds of people who he knows have stolen. He is talking about that with a lot of clarity. I am a little sympathetic to him because he is aware of thieves in this country. I have said I have a lot of respect for him and I know the reason. He knows his party leader is my very good friend. He knows where we have come from. I am very sympathetic to him for claiming certain things that he does not want to report to the EACC. Is it in order for my good friend to hold this House to ransom with information which he has?

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Robert Mbui, you cannot cast aspersions on people who are not before the House without substantiating.

**Hon. Mbui:** Thank you, Hon. Temporary Deputy Speaker. I stand guided and accept the advice that I have been given by my seniors. The only thing I am saying is that a lot of money is being spent. Our question is where the money is coming from. I will do a report on where the money is coming from. We need to get the right answers to that question. I am not saying that I saw a person stealing, but I have seen people spending money that I know they did not earn in this House. That is what I am concerned about.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Mbui, you are making the situation worse. Your time has run out, but I would like you to just clarify.

**Hon. Mbui:** Hon. Temporary Deputy Speaker, I am not sure what I was to clarify.

**Hon. Anami:** On a point of information, Hon. Speaker.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Silverse Anami, we have to know whether he wants to be informed. Hon. Mbui, do you want to be informed?

**Hon. Mbui:** Yes, I would like to get some information from my colleague.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Anami, you have a minute.

**Hon. Anami:** Hon. Temporary Deputy Speaker, it is in public knowledge that the amount of theft that is happening in the Government is immense. The Member has said that theft is happening. We cannot say he is cheating. He is right to say that because we know that these people have been arraigned in court.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Anami, I rule you out of order because if you heard my directions to Hon. Mbui, I said that you can make allegations on the Floor of this House with substance. You cannot make generalised allegations. Therefore, Hon. Anami, you are out of order.

Hon. Mbui, just finish your submissions.

**Hon. Mbui:** Thank you, Hon. Temporary Deputy Speaker. I will finish my submissions by saying that this House has a responsibility to monitor the budgets keenly to ensure that the money we allocate is spent in the right manner. It should be spent prudently and serve the interest of this nation, so that as we go to the future, we do not want to have situations where so much money seems to be getting out through loopholes that we cannot explain.

Thank you for the opportunity.

## ADJOURNMENT

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Members, I would like to thank all the Members. The contributions this afternoon have been very good.