

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 20th June, 2007

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

QUESTION BY PRIVATE NOTICE

NON-ISSUANCE OF ID CARDS TO TESO RESIDENTS

Mr. Ojaamong: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Immigration and Registration of Persons the following Question by Private Notice.

(a) Is the Minister aware that the last registration of voters exercise before the next general election has started and that 15,485 people from Teso District, who applied for national identity cards since July, 2006 will not be able to register as voters as they have not been issued with the cards?

(b) Could the Minister confirm that the identity cards for the applicants have been processed but are deliberately being withheld?

(c) What urgent measures is the Minister putting in place to release the already processed cards to enable the applicants to vote in this year's general election?

Mr. Deputy Speaker: Where is the Minister of State for Immigration and Registration of Persons? Your Excellency, the Vice-President do you want to take a go over it?

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, on behalf of the Minister of State for Immigration and Registration of Persons, I beg to reply.

(a) I am aware that there is a voter registration exercise going on. I am also aware that since July, 2006 to 15th June 2007, 15,208 people applied for identity cards from Teso District.

(b) The Ministry has since July, 2006, processed 9,569 identity cards. It is also not a policy of the Ministry to withhold the issuance and processing of identity cards from any region of this country.

(c) The Ministry has stepped up the production of identity cards to 36,000 per day. So, the balance of 5,639 applications from Teso District are being processed in batches, alongside others, and will be delivered to Teso District by 30th June, 2007.

Mr. Ojaamong: Mr. Deputy Speaker, Sir, first I must thank the Vice-President for having opted to answer this Question because he is a great friend of the Teso and also my neighbour. Let me hope that, that is the truth because very soon the President will be in Teso. The truth of the matter is that the identity cards have been processed but only 200 have been taken to Teso District. Where are the rest?

Mr. Awori: Just as the hon. Member has stated, I am indeed, a great friend of the Teso. I want to undertake that I personally - although it is not in my docket - will ensure that I collect the identity cards accompanied by the hon. Member and we will take them there.

Mr. Deputy Speaker: Well, that may be very good news for Teso. What about Nakuru? Mr. Mirugi!

Mr. Mirugi: Mr. Deputy Speaker, Sir, I know the big question in the matter of identity cards - I believe it affects the whole country - is that once you apply for an identity card and your parents are not from the area from where you applied, you can only receive it from the area where your parents originally resided. Why can the Ministry not undertake to speed up this process by perhaps computerising the registration so that it is easier? I believe that, as leaders, we are ready to assist our people by trying to reach them through churches and other organizations, so that they can collect their identity cards instead of having to tell them to go where their parents resided. That is causing a lot of delays. That is where the problem lies.

Mr. Awori: Mr. Deputy Speaker, Sir, that is what used to happen before. Currently, there is a great improvement. In fact, a person does not have to be asked to go where he or she originated from. Secondly, computerization is now in the pipeline and we expect that all Government documentation will be computerized to such an extent that one can receive the identity cards immediately.

Finally, in almost all district headquarters and all divisional centres, you will find thousands and thousands of identity cards uncollected. We are trying to use chiefs and assistant chiefs to go and look for people who have applied for identity cards and they have been processed but they have not collected them.

Mr. Ahenda: Mr. Deputy Speaker, Sir, His Excellency the Vice-President has confirmed that there is a real problem in the issuance of identity cards. Could the Ministry look for ways of decentralising the issuance of identity cards to provinces or districts rather than only one machine to serve the entire nation?

Mr. Awori: Mr. Deputy Speaker, Sir, I did not confirm that there is a problem in the issuance of identity cards. Issuance of identity cards was decentralised ages ago. People go to the divisional centres where they apply for identity cards. It is true the processing still comes up here but when we do the computerization, it will even be easier.

Mr. Wamunyinyi: Mr. Deputy Speaker, Sir, we are now in the final phase of the registration of voters. There are many applicants for identity cards whose applications have been acknowledged and have been issued with what is called "the half *kipande*." Could the Vice-President direct that all those who have applied for identity cards and have got acknowledgement with that "half *kipande*" are registered as voters?

Mr. Awori: Mr. Deputy Speaker, Sir, that is a weighty decision that I have to leave to the substantive Minister, but I will convey your wishes. I think it is a very valid question. Do not forget that sometimes when you have made your application and you have received the acknowledgement it could be found that you are not entitled to an identity card when it is checked. So, I think it would be a very dangerous thing for us to do. We do not want to end up with foreigners being registered as voters.

Mr. Wamunyinyi: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order, Mr. Wamunyinyi! There is nothing out of order! You just want to continue. I gave you an opportunity. You asked a valid question. Mr. Wamunyinyi, will you sit down please?

Mr. Ojaamong: Mr. Deputy Speaker, Sir, I am talking of the period from July, 2006 to today. This is June, 2007. This Ministry cannot afford to process 15,000 identity cards per year. Your Excellency, the hon. Awori, can I rely on your answer that in a few days to come they will have processed them? Secondly, is it true that your Ministry has blacklisted some areas like Ukambani, Nyanza, Teso and Rift Valley Province because they are ODM areas?

Mr. Awori: With regard to the first part of the question, I will give reassurance that indeed

the remaining 5,639 applicants will get their identity cards. I had already given the hon. Member the assurance that I will help him to take them there. The second question does not deserve an answer from me!

ORAL ANSWERS TO QUESTIONS

Question No.022

NON-DISBURSEMENT OF FPE MONEY TO SHIYRO PRIMARY SCHOOL

Mr. Oparanya asked the Minister for Education:-

(a) whether he is aware that Shiyiro Primary School (Account No.091226750707 at KCB Mumias Branch) has not received money under the Free Primary Education Programme amounting to Kshs246,400; and,

(b) when the money will be disbursed to the school's account.

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, on behalf of the Minister for Education, I beg to reply. This is a Government of collective responsibility.

(a) I am aware that Shiyiro Primary School, in Butere Mumias District, has not received the following disbursements due to the invalid account numbers given by the headteacher at the time of disbursement; in July, 2006 - Kshs122,400; October, 2006 - Kshs142,400.

(b) The error has since been corrected and the money disbursed to the correct school account No.226750707 at the Kenya Commercial Bank, Mumias Branch.

*(Mr. Mwakwere was applauded as
he entered the Chamber)*

Mr. Deputy Speaker: Order, hon. Members! Leave those matters of hon. Mwakwere outside the House!

The Vice-President and Minister for Home Affairs (Mr. Awori):

The total amount disbursed to the school is Kshs265,200, which the school has confirmed as received, and not Kshs246,000.

Mr. Oparanya: Mr. Deputy Speaker, Sir, I thank His Excellency for that answer. If the Ministry was efficient enough, I would not have brought this Question before the House. I made quite a number of trips to the Ministry of Education requesting that the school gets the money, but it took quite some time. I discovered that the Ministry has not computerised this transfer of money to schools. It is important that, that is undertaken. However, the same problem has recurred. This school has not received disbursement for February this year amounting to Kshs142,800. When is this money going to be transferred?

Mr. Awori: Mr. Deputy Speaker, Sir, since we now have the correct bank account number, I want to assure the hon. Member that this money will be transferred immediately because it is available.

Mr. Deputy Speaker: Since this seems to be a very straightforward matter does the House wish to spend a lot of time on a Question whereby the issue of money has been rectified?

Mr. Mwanacha: Mr. Deputy Speaker, Sir, there may be a problem in the disbursement of money to schools but, as you can see, most schools are receiving the money. What systems has the Ministry put in place to ensure that the money given to these schools is utilised for the intended

purposes because some primary schools have nothing to show for all the money they received?

Mr. Awori: Mr. Deputy Speaker, Sir, the Ministry has got quality officers.

One of the duties of the quality officers is to look at the facilities on the ground. Secondly, they are supposed to see the money that has been disbursed to the school and compare it with the work that is supposed to have been done. These are the people who monitor funds disbursed to schools and that includes zonal inspectors at the divisional level. The Ministry has got mechanisms to ensure that the money being disbursed is used for the purpose for which it is intended.

Mr. Oparanya: Mr. Deputy Speaker, Sir, I do not have any other question.

Question No.071

INSPECTION/GAZETTEMMENT OF HEALTH
FACILITIES IN RONGO

Mr. Ochilo-Ayacko asked the Minister for Health:-

(a) whether he could direct that the following public health facilities in Rongo be inspected and gazetted immediately:-

- (i) Ngonga Dispensary;
- (ii) Angaga Dispensary;
- (iii) Siruti Dispensary
- (iv) Oubo Bitu Dispensary,
- (v) Kitere Dispensary; and,

(b) when he will deploy staff and send medicine to the said facilities.

The Assistant Minister for Health (Dr. Kibunguchy): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that Ngonga, Siruti, Oubo Bitu and Kitere health facilities in Rongo Constituency have been inspected and found ready for gazette. At the moment my Ministry is compiling the list of all those facilities which have been inspected and found ready for gazette. The list and the legal notice will be forwarded to the Attorney-General's Chambers for professional scrutiny before gazette is done.

(b) My Ministry will deploy staff and send medicine to these facilities as soon as the gazette process has been finalised.

Mr. Ochilo-Ayacko: Part "a" of the Question had also asked about Angaga Dispensary and there seems to be no response to that. As the Assistant Minister tells us about Angaga, is this a kind of compilation of the list work that takes time? I believe this country is a very small place and dispensaries may be below 1,000 in number. Is this the kind of work that the Ministry should take time doing? I thought it is something automatic!

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, it is not something that is automatic because, by the time we compile it, we must be sure that the facilities have been completed to the best health standards. But, as soon as we get all the information throughout the country, we will gazette these facilities.

Mr. J.M. Mutiso: Mr. Deputy Speaker, Sir, the Assistant Minister has indicated in his answer to part "b" of the Question that the Ministry will deploy more staff to the dispensaries once the inspection and gazette has been done. However, since in this year's Budget there is no provision in the Ministry of Health for recruitment of additional medical staff, where will the Ministry actually get the additional staff to be deployed to these institutions?

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, the Ministry of Health was given money in this year's Budget. But the Budget did not specify what this money will be used for. I would like to

assure the House that part of the money that the Ministry of Health was given will be used to recruit more staff.

Mr. Deputy Speaker: Last question, Mr. Ochilo-Ayacko!

Mr. Ochilo-Ayacko: Mr. Deputy Speaker, Sir, recently, an expectant mother died while trying to move from Oubo Bitia Dispensary to Awendo Sub-district Hospital. Likewise in Angaga area there are many people who are sick. Could the Assistant Minister give us a specific date and time when these facilities will be gazetted, so that we do not vote money and continue waiting as our people suffer and die, just because some list is being compiled somewhere and gazettement is being awaited?

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, I cannot give a specific date now, but let me add one thing that was not captured in the HANSARD. As a Ministry, we have gone even further and asked all the District Medical Officers of Health to rationalise staff within their districts. If they can get extra staff to go to some of the facilities that are already completed, but not gazetted, we have assured them that we shall send medicine and equipment to those facilities, and get them operationalized even as we wait for them to be gazetted. So, this is the message that I would like to send out; that if the District Medical Officers of Health can rationalise staff within their districts and send them to those facilities, we are ready to send them medicine.

Mr. Deputy Speaker: Next Question by hon. Korir!

Question No.089

REPAIR OF NAKURU-MACHEGE ROAD

Mr. Korir asked the Minister for Roads and Public Works:-

- (a) whether he is aware that Nakuru-Machege Road was repaired last year;
- (b) whether he is also aware that the section of the road between Kiamunyi and Kabarak is already potholed and a nightmare to drivers; and,
- (c) who was contracted to repair the road and what steps are being taken to remedy the situation.

The Assistant Minister for Roads and Public Works (Eng. Toro): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that the repairs and reinstatement have been taking place on the Nakuru-Machage-Marigat Road since October 2002.

(b) I am also aware that the section of the road between Kiamunyi and Kabarak is already potholed and a problem to drivers.

(c) The contractor for the works is M/s Nyoro Construction Company Limited. The step being taken to remedy the situation is that the contract has been wound up and the remaining works and other necessary works are being re-packaged and advertised for award to another contractor.

Mr. Korir: Mr. Deputy Speaker, Sir, it is hardly four years since this road was re-carpeted and, yet, it is already potholed. This is a clear indication that there is wastage of public funds. It is also clear that the contractor did a shoddy job. What is the Ministry doing to ensure that this contractor is punished for doing a shoddy job?

Eng. Toro: Mr. Deputy Speaker, Sir, first, the scope of works which were awarded in the year 2002 were completely under-estimated. In the year 2002, the contractor was awarded the contract at a contract price of Kshs490,212,240. Later on, when the scope of works was re-assessed, this amount was found to be inadequate. The initial scope of works involved the repair and re-sealing of the Nakuru-Marigat Road, which is 97 kilometres long; an adjoining road, that is, D369 which is about 8.4 kilometres long, construction of the Kabartonjo-Talai Road and off-road

D350, that is, Kabarnet-Kabartonjo Road to bitumen standards; a section of seven kilometres. This scope of works and the amount of money which was involved was not adequate. Therefore, there was a re-assessment of the bill of quantities. Even as the contractor was not doing the best, still we could not get a variation order to be approved by the Treasury, so that we could give him more money to be able to continue with the works. What we have done, because we cannot get the variation order, is to terminate the contract and re-advertise the works.

Mr. Mirugi: Mr. Deputy Speaker, Sir, we have a problem with contractors in this country who are given contracts to repair our roads. Now that this road has already started getting potholed, just a year after construction, in terms of the contract agreement, do they have any sections that state that a road that is going to be fixed has a guarantee of a minimum of a certain period of time, so that if that road does not last for that period of time, the contractor is held liable for any repairs or if he is not able to do that, then he is blacklisted not to undertake any other contract for the Government of Kenya?

Eng. Toro: Mr. Deputy Speaker, Sir, this contract was hurriedly awarded in the year 2002, just before the general elections, for political reasons. Thereafter, it was found that investigations were not properly done in terms of the scope of works and some materials. For example, between zero to five kilometres of the road from Nakuru, after Materials Branch officers went to do tests, they found that what was being done could not hold. They had to do variation of the scope of works. Also, we could not get the variation approved. That is why that section, between zero to five kilometres, started peeling off shortly after the contractor had finished doing the job, as approved in the previous contract. So, that section will have to be re-done completely, after investigations with regard to materials have been completed.

Mr. Ahenda: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: No! Look at the clock! What is it?

Mr. Ahenda: On a point of order, Mr. Deputy Speaker, Sir. Did you hear what he said?

Mr. Deputy Speaker: I heard what he said, and there is nothing out of order!

Mr. Ahenda: Mr. Deputy Speaker, Sir, he mentioned---

Mr. Deputy Speaker: Order, Mr. Ahenda! You are ruled out of order!

Last question, Mr. Korir!

Mr. Korir: Mr. Deputy Speaker, Sir, the Assistant Minister has said that the contract will be awarded afresh, so that the works can be re-done. Could he give a timeframe within which this will be done?

Eng. Toro: Mr. Deputy Speaker, Sir, we have already allocated some funds under the Kenya Roads Board (KRB) funding for some sections of this road to be done in the next Financial Year. The section between Kambi ya Moto and Marigat is in a very good condition. The section between Kambi ya Moto and Nakuru has deteriorated because most of the vehicles have diverted to this route. This is where the bulk of the deterioration of the road has taken place. From Kambi ya Moto to Marigat, the road is fairly in good condition.

So, in the next Financial Year, we will concentrate on the road from Nakuru through Kabarak to Kambi ya Moto.

Mr. Deputy Speaker: Hon. Members, that is the end of Question Time. Questions No.166, 248 and 254 are deferred to tomorrow afternoon.

Question No.166

UPGRADING OF MUKUYUNI POLICE
POST TO POLICE STATION

(Question deferred)

Question No.248

NUMBER OF KENYAN PILOTS
WORKING FOR KENYA AIRWAYS

(Question deferred)

Question No.254

SUPPLY OF ELECTRICITY TO
MARKETS IN KHWISERO

(Question deferred)

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

MOTION

THAT MR. SPEAKER DO NOW
LEAVE THE CHAIR

(The Minister for Finance on 14.6.2007)

*(Resumption of Debate interrupted
on 19.6.2007)*

(Second Day of Budget Debate)

Mr. Deputy Speaker: Capt. Nakitare was on the Floor. You have nine minutes.

Capt. Nakitare: Mr. Deputy Speaker, Sir, considering the fact that Parliament approves a lot of money based on the Budget read by the Minister for Finance, I have here the 2006/2007 Budget Estimates and my question is directed to the money allocated to the Local Authorities Transfer Fund (LATF). A lot of money has been channelled to the Local Government. For many years, the hue and cry from the public about misappropriation of funds in the Local Government has received a deaf ear from the Ministry.

Now that the CDF has been introduced, it is complementing the Local Government's responsibility of developing and channelling money to the grassroots level. Are we complementing this exercise with the LATF money? How is LATF spent alongside the CDF? Constituencies fall under municipalities and county councils. This is a serious issue. It is common knowledge that county councils are almost autonomous to the extent that whatever procurement they make is not supervised. Most of them do not tender to acquire equipment. For instance, Kitale Municipal Council recently acquired a reconditioned grader at an exorbitant cost. The cost of the grader and the method that was used to obtain this equipment are questionable. The Ministry is silent about this.

Mr. Deputy Speaker, Sir, the issue of the LATF money being diverted to pay salaries to officers in municipalities and county councils should also be looked into. Administrative services should be rendered according to the revenue that is accrued from within the municipalities or county councils. Why is money meant for maintenance and the provision of utilities in the councils diverted to pay salaries? The Minister should answer this question to this House.

The other issue is the area of welfare, which is pathetic in the Ministry of Local Government. Services are not being properly distributed according to the needs of the people. Ghettos are mushrooming and there is no planning in all the towns in this country. Municipal councils have allowed people to put up houses "anyhowly", some of which have collapsed and killed many people. The Ministry of Local Government has to look into this issue.

Mr. Deputy Speaker, Sir, in the area of health, the Ministry of Local Government has abdicated its responsibility. There is a Local Government ordinance which forbids people from rearing livestock in municipalities and urban centres. You will find donkeys, cows and dogs in residential areas, where there are no services at all. Recently, the City Council of Nairobi undertook an exercise to kill dogs in residential areas within the City to eliminate this nuisance.

The Minister talked about other services. The Kshs375.9 billion is a colossal amount of money. This is Appropriations-In-Aid. Currently, we have roads which are in pathetic conditions. Procurement and tendering for road works takes 18 months. We have to wait for 18 months to have a road repaired. The Ministry of Roads and Public Works has to be questioned about this. How long will we drive on patched roads, some of which are not patched properly? This is fleecing of public funds.

Mr. Deputy Speaker, Sir, during the post-Budget briefing that we had the other day, we were also concerned about the CFS. This country has been borrowing money for years, but we have to understand how much money we still owe the donors. This is not a gift. Are we mortgaging our country through borrowing money for cosmetic reasons just to please the political circles? We need to have a real conclusion in the finances. It is true that the current Government has done a wonderful job by containing and collecting revenue through taxes. We are seeing the fruits of this modern Government. We must applaud the President of this country, His Excellency Mwai Kibaki, for the effort he has put to improve the financial sector in particular. Previously, we did not have controls, checks and balances in the use of our finances and we have had a lot of problems. That is how corruption came about.

Mr. Deputy Speaker, Sir, the Minister for Justice and Constitutional Affairs said that the political turn-over has interfered with the recovery of looted money. Is she trying to shield corrupt people who have fleeced public money for many years? Is there a method that we can use to recover the money that has been looted? In the modern world, a person who has committed a crime and has been expelled from the social circles is not eligible to hold public office. Why do we, Kenyans, continue to harbour and shield these people, instead of sacking those who have been found guilty of fraud? Instead, when somebody commits fraud in one Ministry, he is transferred to another Ministry. This is transferring the problem from one Ministry to another. This is a cover up, and it is pathetic. It is a sentiment which enhances corruption. If we went out and said that only people with an upright integrity should be appointed to public offices, the issue of corruption would not arise.

Mr. Deputy Speaker, Sir, on the issue of finance, we have the expenditure and the income. We have seen how much money we have and how much has been allocated to expenditure. However, the reality is that we may not see the results of authorising appropriation. The AIE holders, and particularly those of the Ministry of Local Government who operate in the districts are fleecing Government money. These are people who are not even supervised. There is no audit done on money which is channelled to the districts. It, therefore, becomes difficult for the money to

reach the people who deserve it.

Mr. Temporary Deputy Speaker, Sir, on the issue of education, we applaud the Free Primary Education (FPE) Programme. However, we still need to look into the provision of free tuition in secondary schools.

With those few remarks, I beg to support.

Mr. Deputy Speaker: Thank you. Before I go to Maj-Gen. Nkaiserry, Prof. Olweny was the last person waiting yesterday. So, Prof. Olweny, take the Floor.

Prof. Olweny: Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to give my comments on the Budget Speech that was presented to us last week. It is a Budget which, to me, has a lot of misleading information. It was a wonderful Speech, but with a lot of misleading information. The Minister said that he would give a little more money for roads. It is true that our roads are in a pathetic condition. The Minister said that we had realised some development over the last four-and-a-half years. However, we cannot talk about economic improvement if our roads are unusable, particularly in some parts of this country. They might have repaired a few roads in different parts of this country, but the majority of the roads in this country are in a pathetic situation. This makes the cost of vehicle maintenance to be very high. It also makes the cost of transportation to be very high.

With regard to road safety, it is the condition of roads in this country that causes accidents and not the issue of used spare parts. After all, those spare parts are usable and the vehicles fitted with them are running. It is the condition of our roads, the pot-holed roads, that causes poor safety. It is a good idea that the Minister said that he will give a little more money for roads.

On the issue of education, the Free Primary Education (FPE) Programme which was initiated by this Government is a good idea. It is true that we have more pupils in schools. However, the standards of education have gone down, seriously. We have few teachers, and yet the number of children going to schools is very high. Why take a bunch of children to school and have no teachers to teach them? At the end of the day, they become rowdy, indisciplined and get no education. The result of the national examinations that came out this year reflected a reduction in performance. Let us hope that the teachers who will be recruited this year, as the Minister promised, will be distributed across the districts and constituencies. Some areas in this country lack teachers. In my constituency, we do not have enough teachers. Some schools do not have more than five teachers, yet they have up to eight classes. How do you expect five teachers to handle eight classes? Quite a number of schools in our district have that problem. Let us hope that more teachers will be recruited and attention will be given to those areas which have serious needs for teachers. We hope that the teachers will not be sent to other places which already have enough teachers.

It is very unfair the way things are being distributed in this country today. Children and people living with disabilities have received very little attention in this country. The FPE Programme is designed for normal people. What about the children living with disabilities? The provision of the FPE is very expensive. It is just as expensive as secondary education. These are the people who need special attention and whose problems need to be addressed and yet we make their lives very expensive when it comes to education. The Government needs to address those problems so that disadvantaged people can get support when it comes to education.

The Minister said that he would give a little more money to the agricultural sector. This sector is the key to our development and it is where our food comes from. However, for several years to date, we have not been having an Extension Department. That department collapsed. It does not work. We do not have extension officers. The few that are around do not travel around the country to visit farmers and advise them on what they should do so as to improve their production. The officers do not have means of transport. There is no way agriculture will develop if services

have collapsed. That needs to be addressed. I hope that the little money that will be allocated to the Ministry of Agriculture will address the issues of extension services.

The Minister made things worse for the sugar-cane farmers by saying that he would remove the Sugar Development Levy (SDL) on imported industrial sugar. That will make us less competitive with other sugar producers across the world. This levy was meant to help us or make us a little bit more competitive with the rest of the world and develop our sugar industry. I do not understand what is in the mind of the Minister for Finance. The Ministers for Finance have always targeted the sugar industry in this country. They do not seem to like it. The Government of this country does not seem to have a soft spot for the sugar sector. I do not understand what is going on between the sugar industry and the Ministry of Finance. There are some officers in the Ministry of Finance who think that the sugar industry should fizzle out. I oppose that part of the Minister's Speech. I do not like the idea of the Minister of removing SDL on imported industrial sugar. Instead, we want the VAT on sugar to be zero-rated. If the Minister can zero-rate VAT on pyrethrum products, then he should also zero-rate VAT on sugar because it is food. Pyrethrum is a drug which we do not eat. After all, it is used for killing insects. Why do we have VAT on sugar while we zero-rate VAT on pyrethrum products? It is because pyrethrum is grown by other people and not by those who come from around the lake region. It is very unfortunate that this Government is trying to frustrate certain parts of this country. Mr. Deputy Speaker, Sir, sugarcane farmers, as of today, are making losses when it comes to harvesting. When their sugarcane is harvested, they have to bribe loaders so that their sugarcane is loaded and taken to the factory. They are making losses when it comes to the inputs, which are very expensive. They are making losses because of the poor state of roads and many other ways. Sugarcane farmers in this country are some of the poorest paid farmers when it comes to pricing because after all, the price of sugarcane, as compared to the total price of inputs, is terrible.

Mr. Deputy Speaker, Sir, the Minister said here that poverty has reduced in Nyanza. I think that was the joke of the year. Go to Nyanza today, the unemployment rate is high. It has actually sky rocketed. More youth are just hanging by the roadside and in the market centres because they are not employed. Poverty reduction would be reflected in the number of people who have secured employment. If you go to Nyanza, the farmers are out of business because of increased input prices, and the Minister says here that poverty reduction has been realized in Nyanza. Where did they get that data? Let the Minister not feed us with data that is wrong. Let him not give us misleading data. Where did they get that data if young people are unemployed? The idea or aim is to ensure that they reduce the Constituencies Development Fund (CDF) money that will be allocated to some parts of this country. I think that is what the Minister wants to do. He made a claim here that poverty has been reduced in Nyanza so that we get less CDF money. That is wrong. Let the Minister not have that intention in his mind.

With those few remarks, I beg to oppose the Motion because the Speech was misleading.

[Mr. Deputy Speaker left the Chair]

*[The Temporary Deputy Speaker
(Mr. Maore) took the Chair]*

The Assistant Minister, Ministry of State for Youth Affairs (Mr. ole Metito): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion. From the onset, I beg to support.

Let me first congratulate the Kenya Revenue Authority (KRA) for the very bold efforts they have shown in collecting revenue for the development of this country. However, I would just wish

to request them, especially at the customs border points of this country, to look very, very seriously at some issues that affect the people living at the borders. If you take, for instance, Namanga, which is one of the border points in this country where revenue is being collected--- We have the East African Community issues like the common border, customs and the like. However, sometimes they do not give priority to Kenyans in those areas.

I am specifically talking about Namanga, where there has been unfair treatment of our young people who are assisting customs officials at that point on issues like loading and re-loading of---

(Loud consultations)

The Temporary Deputy Speaker (Mr. Maore): Order! Order, hon. Members! Order, hon. Members at that corner! We need to consult in low tones so that we can hear the hon. Member.

The Assistant Minister, Ministry of State for Youth Affairs (Mr. ole Metito): Thank you, Mr. Temporary Deputy Speaker, Sir. I was talking about the customs issues at the border points. The KRA should take steps to ensure that the Kenyan youth at the borders are really given priority in terms of loading and reloading of goods and even services that are offered at those points, instead of going for our neighbours on the other side.

Mr. Temporary Deputy Speaker, Sir, I would also wish to register my appreciation on the economic growth that we have experienced over the last four years. Some of the sectors or even all of the sectors in our economy have shown great improvement. As we have been told by the Minister for Finance, the Ministry of Wildlife and Tourism - that is with regard to hotels and hotel beds - registered the highest growth rate of about 15 per cent last year. I have also seen, with great appreciation, money being factored in the Budget that is going to improve the infrastructure within the parks in order to boost economic growth to a higher level.

Mr. Temporary Deputy Speaker, Sir, however, I would also wish to note that not much has actually being ploughed back to the communities where that economic growth is being experienced. I am referring to the communities that live around national parks and game reserves. Despite the fact that 15 per cent growth rate is being experienced in the sector. As the Government tries or endeavours to improve that growth rate to a higher level, we should not only be concerned about what goes to the central Government, but how much also goes back to the rural communities that are really working up and down to ensure that there is safety in those national parks and there is hospitality for our visitors. Much also needs to be done for them to benefit in terms of employment, resources and the exact financial assistance that goes back to uplift their living standards.

Mr. Temporary Deputy Speaker, Sir, on agriculture, I have only one point. We have had some good rainfall over the last one year. Some of the agriculturally rich areas have really had a good harvest. But we are experiencing some problems with the National Cereals and Produce Board (NCPB) whereby farmers have harvested a lot. They take their maize to the NCPB, but it is taking a long time for them to be paid. As a result, those stores are getting packed and our farmers are failing to get places to take their maize. I specifically have a case in point of my constituency, where a lot of maize is lying in our farms because the NCPB in Loitokitok has no space. So, I would kindly ask the Minister for Agriculture to expedite the discharge or removal of maize to other areas so that farmers can get space. He should also expedite the process of payment to farmers.

Mr. Temporary Deputy Speaker, Sir, let me thank the Government for the bold step they have taken to create new districts. I have seen that they have factored those new districts in the Budget as independent districts from their mother districts where they were carved out. We have already seen the benefits of those districts in terms of employment, where we are actually having

them as the focal point, where employment of our young people is done in all sectors, like in the recent recruitment of the police where those new districts were taken as recruitment centres.

The Government should speed up the operationalization of all the departments in those new districts and, more so, because of the rising insecurity in the country. We should facilitate the District Commissioners (DCs), District Officers (DOs) and the chiefs in order to be mobile so that they can move around those districts and try to assist in security issues.

Mr. Temporary Deputy Speaker, Sir, regarding health, there was a Question this morning on the gazettement and operationalization of the new dispensaries built up by hon. Members through the CDF. That is a very, very serious problem and the Government, through the Ministry of Health, should actually move very quickly and operationalize or facilitate the gazettement of those facilities because they may end up being white elephant projects. In my constituency, for example, eight dispensaries have already been put up. More are required. But since none of those eight dispensaries are operational, we will not build others until those ones are gazetted, registered, staffed and supplied with medicine.

Mr. Temporary Deputy Speaker, Sir, under the Arid and Semi-Arid Lands Programme, the Government has not factored in the new districts in the Budget. For some of us who come from those areas, water, boreholes and schools are some of our core development points. Some of the new districts that were created fall under the ASAL areas. Some of the new districts were hived off from other districts in ASALs. So, they automatically qualify for that programme. The Ministry of State for Special Programmes, where the Arid and Semi-Arid Management Project (ASAMP) falls, has not factored in the new districts. It is wrong for those districts to depend on their mother districts while others are totally independent. Therefore, I would like to ask the Minister of State for Special Programmes to look into ways of making the new ASAL districts independent.

Mr. Temporary Deputy Speaker, Sir, a lot has been said about education. We welcome the waiver of tuition fees for students in secondary schools. That has been factored in the Budget. Last year, I moved a Motion in this House to allow free secondary education for orphans and vulnerable children. It is necessary that, in that proposed waiver of tuition fees in secondary schools, orphans and vulnerable children should be given priority. We should not only waive their tuition fees, but they should be given 100 per cent free secondary education.

Mr. Temporary Deputy Speaker, Sir, still on the issue of education, we know that the Government is planning to employ 11,000 teachers. I believe those are not enough. We have a shortage of 40,000 teachers in this country. As the Government recruits 11,000 teachers, even the new districts need a share. The focal point of registering new schools and employing new teachers should be the District Education Board (DEB). I kindly ask the Ministry of Education to ensure that DEBs in all the new districts are in place before the recruitment of the 11,000 teachers, so that those new districts could get a share. The Ministry should ensure that equity and fairness prevail in that exercise.

Mr. Temporary Deputy Speaker, finally, water is very crucial. I kindly---

The Temporary Deputy Speaker (Mr. Maore): Order, Mr. ole Metito! Your time is up!

The Assistant Minister, Ministry of State for Youth Affairs (Mr. ole Metito): Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support.

Maj-Gen. Nkaiserry: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Budget of this financial year. From the outset, I would like to challenge His Excellency the President to sack all the Assistant Ministers who tried to intimidate him. They were telling the Head of State that they were idle and have nothing to do. If that action is taken, this country could save a lot of money. We can then use that money to support children from poor families. The cost of one Assistant Minister to the Government of the Republic of Kenya is in the tune of Kshs500,000 per month. If we get rid of these Assistant Ministers, we will save enough

money to help children from poor families.

Mr. Temporary Deputy Speaker, Sir, on the issue of Vision 2030, the Government has not come forward to explain to Kenyans what that Vision is all about. We understand that Vision was borrowed from a foreign company. If that is true, then this Government is visionless. It is leading Kenyans to nowhere!

On critical issues of the Budget, the Government did not consider ASAL areas. I concur with my brother, Mr. ole Metito, that nothing has been considered about ASAL areas. In the area of infrastructure, if you go through the Printed Estimates, nothing has been set aside to improve infrastructure in the pastoral districts. There is no allocation to supply water, build facilities and construct roads. Therefore, the ASAL districts do not exist in the radar of the Minister.

Mr. Temporary Deputy Speaker, Sir, the other critical issue concerns the livestock sector. The budget for that sector has been reduced by Kshs94 million. The Minister knows very well - and I am glad we have technocrats here - that pastoralists, especially the Maasai from Kajiado District, lost many of their animals. We would have expected the Government to set aside some money, at least, for re-stocking. We also expected the Government to allocate some money to cushion the farmers who took loans from the Agricultural Finance Corporation (AFC). If the Government is writing off loans for coffee farmers, why can it not write off the AFC loans for livestock farmers? That is a fundamental question.

When you look at the allocation of money to the road sector--- I hope that this time, it will not happen like last financial year, where money was allocated to constituencies of friendly Government of National Unity (GNU) Members. That is critical. All the districts in this country must develop at par. It does not matter whether an hon. Member is in GNU or migrated from KANU or FORD(P) to join GNU. Kenyans must have a balanced development agenda.

Mr. Temporary Deputy Speaker, Sir, I would like to take this opportunity to congratulate our Police Force and other security organs in this country for taking drastic action to stamp out insecurity in some areas of our country. But it is very unfortunate that, as I speak now, we have a region where people are training a private army and the Government is sitting idle. It is not taking action. It is a tragedy that a Government, which is supposed to provide security and protection of peoples' property, is sleeping on the job!

Mr. Temporary Deputy Speaker, Sir, when you look at the goodies which this Government has distributed---

The Assistant Minister, Office of the President (Mr. Tarus): On a point of order, Mr. Temporary Deputy Speaker, Sir. As an Assistant Minister in the Ministry of State for Defence, is it in order for the hon. Member, who is also a Shadow Minister for Defence, to say that the Government is sleeping on the job when it comes to security, when it has actually gone ahead and made sure that those who have organised that kind of thing have already been flushed out?

The Temporary Deputy Speaker (Mr. Maore): Well, I thought that is a good point of argument!

Maj-Gen. Nkaisserry: Mr. Temporary Deputy Speaker, Sir, I think the Assistant Minister will eventually come for some lessons from a retired General, who knows what defence is all about! Do not worry about that! I am going to explain!

Mr. Temporary Deputy Speaker, Sir, I was on the point on goodies the Government is giving Kenyans. When you look at the Youth Enterprise Development Fund; the Government allocated youths a sum of Kshs2 billion and each constituency got Kshs1 million. The rest of the money is channelled through some financial institutions. Who is accounting for this money? This is a very critical question. Furthermore, if you divide Kshs1 billion among 10,000 youth groups, each group will get Kshs100. This is pure cheating! This is a pure political gimmick. The same thing applies to the Women Enterprise Development Fund.

The Temporary Deputy Speaker (Mr. Maore): Order, Maj-Gen! You have used a word that we do not allow in this House!

Maj-Gen. Nkaiserry: Okay, I withdraw the word "cheating" and replace it with the word "misleading". The Government is misleading the youth that it is helping them, while, in fact, Kshs100 per youth group in the Republic is nothing. The same applies to the Women Enterprise Development Fund of Kshs2 billion. Our women are being misled to believe that the Government is taking care of them. Just divide Kshs2 billion by the number of Maendeleo ya Wanawake Organisation (MWO) groups in all the constituencies, it comes to nothing! Therefore, we would like this Government not to take Kenyans for a ride.

Mr. Temporary Deputy Speaker, Sir, the economy has grown at a rate of 6.1 per cent. What does this translate to *wananchi*? They still buy sugar at a certain price. Fuel prices have gone up. Bus fares have gone up. So, as a layman, how do I know that the economy has improved? The economy has improved only for the rich people. I would like to ask a very fundamental question; where did the unutilised money for the last financial year go to? We want to be told by the Minister when he responds, how much money was unutilised in the last financial year and where is it?

Mr. Temporary Deputy Speaker, Sir, I would like to talk very briefly on health sector. We have constructed so many dispensaries using the Constituencies Development Fund (CDF), but the Ministry of Health has not posted medical staff. We want that to be done immediately. The same case applies to the Ministry of Education. This financial year the Ministry has been allocated Kshs106 billion. However, they are planning to employ only 11,000 teachers. With a shortage of 65,000 teachers, what is 11,000 teachers? That means 100 teachers per district, including those which were created for political reasons. This Government has its priorities upside down! If technocrats are working, they should tell the Government to put their priorities right.

Mr. Temporary Deputy Speaker, Sir, I would like to mention something about the Vision 2030. That Vision is a blind thing. As I was saying, it is not our own. It was created by another person. A vision should be your own thing; where you are, where you want to go and how you want to get there. The Government is not telling Kenyans where it is heading. I think we should get the Government to wake up and put its house in order, the Budget can fund all projects.

Finally, what is so secret about the operations of the Kenya Anti-Corruption Commission (KACC)? We have been funding KACC and yet, it has not given us any results. We want to be told what KACC is doing for Kenya to stamp out corruption.

With those few remarks, I beg to support.

The Assistant Minister for Transport (Mr. Githae): Thank you Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on the Budget Speech.

First of all, may I take this opportunity to congratulate the Minister for Finance for coming up with a budget which is, by and large, acceptable to a majority of the people of this country.

Mr. Temporary Deputy Speaker, Sir, there are some things we must commend the Government for. These are the things the Government has done since the administration of *Mheshimiwa* Kibaki took over leadership in 2002. One of the things that we must say loudly is the introduction of the CDF. With this Fund we have been able to do things that Kenyans could only have dreamt about. Using CDF we have put up a day secondary school in every primary school in my constituency. This was a dream from 1963, but we have only been able to achieve it this year. So, I must commend the Government.

Mr. Temporary Deputy Speaker, Sir, we must also further commend the Government for declaring that starting from next year tuition fees will be waived for all students in secondary schools. Again, this has been a dream that started in 1963, but it has been achieved now.

Mr. Temporary Deputy Speaker, Sir, we must also commend Kenya Revenue Authority (KRA) for the way in which they are collecting taxes. For the first time, Kenyans are queuing to

pay their taxes. For the first time, Kenyans are paying their arrears on taxes. So, we must commend the Commissioner General of KRA; Mr. Michael Waweru and his team for a job well done. Their collection has enabled the Government to finance 93 per cent of the Budget from local resources. As a result of this, the donor critic has disappeared. The donors are no longer giving conditions and conditionalities. In fact, it is now the Government that gives conditions. It says: "We will accept your money only if it is given to this particular sector".

Mr. Temporary Deputy Speaker, Sir, we must also commend the KRA. If you look at the collection of taxes, it took the founding father of this nation; Mzee Jomo Kenyatta, more than 15 years to achieve tax collection of Kshs100 billion. It took the second President; retired President Daniel Moi, 24 years to achieve a collection of Kshs150 billion in taxes. However, it has taken President Kibaki only four years to triple collection of taxes from Kshs150 billion to more than Kshs450 billion. We must say the President must be doing something right. Otherwise, where was this money before?

Mr. Temporary Deputy Speaker, Sir, I think we can also say that this is the money that was leaking away through corruption. To that extent, we can say the loopholes, through which monies used to leak, have been sealed. Although not completely sealed, they have been sealed to a large extent.

Mr. Temporary Deputy Speaker, Sir, we must also commend the Government for increasing the budget for the Ministry of Roads and Public Works. If there is one thing that was shameful about this country, it is the condition of our roads. You find that even countries that have been involved in civil wars have better roads than Kenya. People say the economy of Zimbabwe has gone down, but if you go to Zimbabwe, their roads are in a very good state. If you go to Iraq, the condition of the roads there is good. However, what we have in Kenya are more of cattle tracks and not roads. Therefore, there is great hope that with the increased Budget of the Ministry of Roads and Public Works, they will be able to repair some of these roads.

Mr. Temporary Deputy Speaker, Sir, there is one road in my constituency which was abandoned more than 15 years ago. I am happy that some money has been provided in this year's Budget to repair that road. I am talking about the Kagio-Baricho-Kerugoya Road and the Kagio-Baricho-Kibirigwi Road. So, we must commend the Government for doing that. This road was abandoned more than 15 years ago and it is only now that something is being done. So, we are thankful. On behalf of the people of Ndia, I would like to say that we are thankful to the Government for having allocated funds to this road. It is very dear to us. It is the only road which we can say is tarmacked and which belongs to Ndia Constituency. The other roads just happen to pass through Ndia. They are not Ndia roads. If you take the example of the Sagana-Nyeri Road, it only happens that if you want to go to Nyeri, then you must pass through Ndia. So, that is not our road. If you take the other road from Sagana to Embu, it only happens that you have to pass through Ndia as you go to Embu. So, that is also not our road. But this road, it is the only one we can say, "This is our own road." Therefore, we can say that for the first time, we will have a tarmacked road in Ndia, which really belongs to Ndia.

Archbishop Ondiek: On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Maore): Yes, what is your point of order, Archbishop Ondiek?

Archbishop Ondiek: Mr. Temporary Deputy Speaker, Sir, the Assistant Minister is giving a very good contribution, but it seems that the Ministers in charge are not even taking notes!

The Temporary Deputy Speaker (Mr. Maore): I am sure one of them looks like he is taking notes!

Archbishop Ondiek: Where is he?

The Assistant Minister for Transport (Mr. Githae): Mr. Temporary Deputy Speaker, Sir,

this is a collective responsibility. As I am talking, I am also taking notes and I will hand them over to the Minister for Finance. So, this is a collective Government.

Mr. Bett: On a point of order, Mr. Temporary Deputy Speaker, Sir. Did you hear the Assistant Minister say that as he is talking, he is taking notes? I do not know how he is doing the two at the same time!

The Assistant Minister for Transport (Mr. Githae): Mr. Temporary Deputy Speaker, Sir, I am doing it mentally. So, that should not be a cause for worry. In any case, we also have another colleague here on the Front Bench. So, do not worry. This is a collective responsibility and we shall do it to the best of our ability.

Mr. Temporary Deputy Speaker, Sir, turning to the Budget Speech, we must also commend the Government because for the first time, the coffee farmers are going to be paid the Kshs641 million which was supposed to be sale proceeds from the Coffee Board of Kenya, but which was squandered by the same Board. This has been a very sore point amongst the coffee farmers. This is because they sold their coffee, but they have never received a single cent from their sales. This is going to motivate them to look after their coffee. The farmers had already reached a point where they were going to abandon the growing of coffee. However, with this money, I have no doubt that they are now going to look after their coffee, use fertiliser and spray it. As a whole, the country will benefit.

Mr. Temporary Deputy Speaker, Sir, my only concern is the direction that our politics is taking. Our politics---

QUORUM

Mr. Owino: On a point of order, Mr. Temporary Deputy Speaker, Sir. There is no quorum in this House. We are discussing a very important matter today and yet the Government is not there!

An hon. Member: Even the Opposition is not there!

The Temporary Deputy Speaker (Mr. Maore): Hon. Members, I do concur with hon. Owino and, therefore, order that the Division Bell to be rung.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Maore): Order, hon. Members! You may now take your seats. We now have quorum.

Proceed, Mr. Githae!

The Assistant Minister for Transport (Mr. Githae): Thank you, Mr. Temporary Deputy Speaker, Sir. I was talking about the Budget for the Ministry of Roads and Public Works. I was saying that we need to commend the Ministry of Finance for doing that.

Mr. Temporary Deputy Speaker, Sir, with those few words, I support the Budget Speech.

Mr. Muturi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to say a few words about the Budget Speech that was delivered by the Minister for Finance on Thursday, 14th June, 2007. As usual, it is not my business to tell them when they have done well. It is my business to tell them where I think they have not done well in the hope that if they have ears, they will hear and improve. We do not hate them!

Looking through the Budget Speech, you realise that the Minister has fallen into this habit of making populist statements in the hope that he will attract certain regions to behave in a certain way. Why do I say this? At page 14 of the Budget Speech, the Minister talks about making Mombasa a free port but completely says nothing about the mechanisms of how that is going to be

achieved. The Minister, of course, I would expect is well aware that this House passed a Motion that was moved by the young man from Mvita to the effect that this House should urge the Government to make the Port of Mombasa a free port. I think the Minister was merely trying to respond to that and in his usual style of populism, just like he had said last year that he was going to tax hon. Members' allowances, he decided to include this in his Speech. It is very clear that if he had any intentions, he would have said how this is going to be done.

Mr. Temporary Deputy Speaker, Sir, he says, among other things, that part of the funds he expects to raise to finance his deficit is from proceeds of privatisation and he has indicated the public entities to be privatised. I have interest in one; Safaricom. The Minister has said that they are going to privatise Safaricom. It would be the height of hypocrisy for us to proceed with the privatisation of Safaricom if we are not going to be told who owns the 10 per cent that was irregularly given or ceded from Telkom Kenya to Vodafone Plc of the UK, who in turn gave it to a shadowy company called Mobitelea Ventures Limited, allegedly, a local company which was advising Vodafone Plc on local business ventures and protocols, yet that company was self-registered and resident in Guernsey Island. We have looked through the minutes of the Board of Directors of Telkom and Safaricom, and there is nowhere that the Board ever ceded or gave authority to cede the 10 per cent. That 10 per cent which reduced the Government's shareholding in Safaricom from 70 per cent to 60 per cent, purportedly, was an irregular transaction. It is worth a lot of money. Since it was an irregular transaction, the Minister should, first of all, recover that and then offer it for sale to the public of Kenya. He should not purport to reduce further from 60 per cent to 50 per cent without, first of all, reclaiming what was given to a shadowy company whose directors or shareholders are also registered a bit more vaguely, again, in some other funny island called Antigua Island. Yet this company was meant to be a local company advising Vodafone Plc of the UK on local business protocols. This company came into the picture in 2000 yet the shareholders agreement had been signed on 29th January, 1999. So, there was nothing that Mobitelea was coming to advise. Everything had been sealed and the equity ratios had been agreed. So, even as the Minister says that he is going to raise part of the deficit from the proceeds of privatisation, we need to get it right. We cannot keep losing what belongs, rightfully, to the public of Kenya when it is held by some other shadowy companies.

Mr. Temporary Deputy Speaker, Sir, on the issue of sugar growing, I am a bit worried that while we are well aware that the Common Market for Eastern and Southern Africa (COMESA) window on importation of duty-free sugar is coming to an end in January or February, 2008, this Budget Speech says nothing about improving the competitiveness of our local sugar factories. How will they compete with imported duty-free sugar from COMESA into Kenya? If you look at what the Minister says about revamping agriculture, in as much as he appreciates that it contributes so much to the Gross Domestic Product (GDP) of the country, there is nothing that goes specifically to cane growers. I do not come from a sugarcane growing area, but I do not have to come from there to really see the danger of ignoring such an important sector. Over six million people of this Republic are dependent on sugar-cane growing. It is not fair that what we are doing instead is to remove the Sugar Development Levy (SDL) from imported brown sugar on the pretext that the makers of sweets and such like things are relocating from Kenya into Tanzania and Uganda. The SDL is not merely a levy that was put there. It helps the Kenya Sugar Board (KSB) to fund the research into better yielding sugar and also in funding sugar factories in order to make them more efficient and more competitive. So, if you remove this levy, what are you telling sugar development in this country? It is just going to waste!

Mr. Temporary Deputy Speaker, Sir, I also take issue with the fact that it is acknowledged that we have a low absorption capacity. There is nothing in this Budget that attempts to address this issue. Last week, the Minister for Roads and Public Works, himself, acknowledged here that our

own local contractors do not seem to have capacity. We should come up with ways of ensuring that our locals, particularly the contractors--- Since it is the area of Development Expenditure where we seem to have a lot of problems because we have a low absorption capacity--- We vote in money for development but we very well know that by March, 2008, in the Supplementary Budget, we will be told that we are actually removing this money from Development Expenditure into Recurrent Expenditure. We know that the time left is not enough for that money to be spent. We need to come up with ways of ensuring that we improve on our absorption capacity.

Mr. Temporary Deputy Speaker, Sir, there is the question of mergers of banks and raising the minimum equity. We must approach this thing very carefully. It may well be that the banks of the Minister's friends have made so much money that they are now very liquid. They can afford the Kshs1 billion. However, if we follow this route, it means that most of our indigenous entrepreneurs, who have interest in banking, are being wiped out. Why are we doing this? When his predecessor was there, he actually lowered the minimum amount of money required to establish banks. Now, we are being told that people must merge. Those are issues that must be addressed and approached with a lot of sobriety and care. They could very well end up marginalising our own people. It will not be fair that we represent them.

Mr. Temporary Deputy Speaker, Sir, another issue that I think the Minister needs to approach with care is duty on imported second-hand motor vehicles parts. I think many people in this country rely on second-hand motor vehicle parts. I think the Minister should not use the fact that some of his opponents in the village are in that business to try and impose taxes which are going to affect the entire country. We should let him go and do his little battle in the village and let the rest of hard working Kenyans enjoy the benefits that come with the importation of second-hand motor vehicle parts, without unnecessarily imposing punitive duties and levies.

With those few remarks, I beg to support.

The Assistant Minister, Office of the President (Mr. Tarus): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to the Budget Speech. Let me begin by supporting the Minister for Finance for bringing the Budget. The Budget laid down the programmes that the Government envisages to undertake during the financial year, 2007/2008.

Mr. Temporary Deputy Speaker, Sir, as I begin to support the Budget, first of all, we should realise that Budget making is, indeed, a very important catalyst for faster development in the country for that particular period. I want to thank the current Minister for Finance and the previous Minister for Finance for sticking to the programmes that were laid down in the previous budgets. I was happy with the fact that we finance our Budget from our own resources. I became a bit scared when I heard about a Budget deficit and how we shall finance that deficit. Whenever you have a Budget deficit, you resort to---

QUORUM

Mr. Osundwa: Mr. Temporary Deputy Speaker, Sir, I feel like I should not contribute to this Motion this morning because I represent an agricultural economy in my constituency. I want to address the Government, but I do not see anybody from the Government here. I am only seeing three Assistant Ministers. This is shameful!

The Temporary Deputy Speaker (Mr. Maore): What is your point of order?

Mr. Osundwa: Mr. Temporary Deputy Speaker, Sir, there is no quorum. If they are not serious, they should go home!

The Temporary Deputy Speaker (Mr. Maore): Are you proclaiming that there is no quorum or you are complaining about the Government's absence?

Mr. Osundwa: Mr. Temporary Deputy Speaker, Sir, there is no quorum.

The Temporary Deputy Speaker (Mr. Maore): It is true that we do not have a quorum. I direct that the Division Bell be rung.

(The Division Bell was rung)

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Maore): Order, hon. Members! Due to lack of quorum, the House stands adjourned until 2.30 p.m. in the afternoon.

The House rose at 10.50 a.m.