

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 12th March, 2015

The House met at 2.30 p.m.

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

PRAYERS

PAPERS LAID

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

The 1988 Protocol to the Load Lines Convention, 1966.

The 1978 Protocol to the Convention of Safety of Life at Sea, 1974 (SOLAS 74), which deals with tanker safety and pollution prevention.

The Protocol of 1988 to the International Convention for the Safety of Life at Sea, 1974, as amended (SOLAS 74/78).

The International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001.

The 1996 Protocol to the Convention on Limitation of Liability for Maritime Claims (LLM), 1976.

The Nairobi International Convention on the Removal of Wrecks, 2007.

The International Convention on the Control of Harmful Anti-Fouling Systems on Ships, 2001.

Thank you.

Hon. Langat: Hon. Speaker, I beg to lay the following Paper on the Table of the House:-

The Report of the Departmental Committee on Finance, Planning and Trade on its consideration of a public petition by a resident of Trans Nzoia County on the irregular purchase of Trans Nzoia Referral Hospital.

Hon. Nooru: Hon. Speaker, I beg to lay the following Papers on the Table of the House:-

The Report of the Departmental Committee on Agriculture, Livestock and Co-operatives on the public petition on the imminent collapse of the sugar industry in western Kenya and the rampant sugarcane poaching and smuggling of cheap sugar into the country.

The Report on the crisis facing the sugar industry in Kenya.

Hon. Speaker: Finally, congratulations, hon. Nooru. Well, it might have been a long and winding route, but you finally landed.

Next Order.

NOTICE OF MOTION

CRISIS FACING SUGAR INDUSTRY IN KENYA

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

THAT, this House adopts the Report of the Departmental Committee on Agriculture, Livestock and Cooperatives on the crisis facing the sugar industry in Kenya, laid on the Table of the House today Thursday 12 March, 2015.

Hon. Speaker: Hon. Joe Mutambu, Member for Mwingi Central! These are Members who give indication that they will be giving notices of Motion and then they decide to go and perform other duties outside the House. So, the matter is dropped. The Member is absent not desiring to be present.

Next Order!

STATEMENTS

BUSINESS FOR THE WEEK COMMENCING 17TH TO 19TH MARCH, 2015

Hon. A.B. Duale: Hon. Speaker, pursuant to Standing Order No.44(2)(a) on behalf of the House Business Committee, I rise to give the following Statements regarding the business appearing before the House the week beginning Tuesday 17th March, 2015.

On Tuesday, we have scheduled a Committee of the whole House to deal with the Public Audit Bill, 2014. On the same day, we have accorded priority to several Senate Bills. These include:-

(1) The County Governments (Amendment) Bill No. 1 of 2014; should we not conclude it today.

(2) The County Governments (Amendment) Bill No.2 of 2014; if not concluded today.

(3) The National Honours (Amendment) Bill 2014;

(4) The Political Parties (Amendment) Bill 2014; and,

(5) The Statute Law (Miscellaneous Amendments) Bill No.4 of 2014

Hon. Speaker, Members with proposed amendments to the Public Audit Bill, 2014 should hand them over to the Office of the Clerk in good time. The House Business Committee is of the view that on Wednesday morning, priority be accorded to the following Private Members' Bills:-

(i) The Retirement Benefits (Deputy President and Designated State Officers) Bill, 2013;

(ii) The Traffic (Amendment) Bill, 2014

(ii) The Alcoholic Drinks Control (Amendment) Bill, 2014

Hon. Speaker, I would like to inform the House that the Chairpersons of the Constitutional Implementation Oversight Committee (CIOOC) and I held a consultative

meeting with representatives from the Office of the Attorney-General, the Commission for the Implementation of the Constitution (CIC) and the Kenya Law Reform Commission. We deliberated on the status of the various legislation required to be enacted by 26th August, 2015. At that meeting, it was agreed that there was need to establish clear timelines for development and tabling of the Bills in Parliament. To this end, all the stakeholders have agreed to have a follow-up meeting on Friday, 20th March, 2015 to be chaired by the Chair of the CIOC. It was also settled that all the Draft Bills should be in Parliament on or before 10th May, 2015.

Regarding the Cabinet Secretaries appearing before the Committees on Tuesday, 17th March, 2015, the schedule is as follows:-

1. The Cabinet Secretary for Agriculture, Livestock and Fisheries will appear at 10.00 a.m. before the Departmental Committee on Agriculture, Livestock and Cooperatives to answer questions from hon. David Wafula, MP; hon. John Kobado, MP; and hon. Opiyo Wandayi, MP.
2. The Cabinet Secretary for Lands, Housing and Urban Development will appear at 10.00 a.m. before the Departmental Committee on Lands to answer questions from hon. Shakeel Shabbir, MP; hon. Aramat Lemanken, MP; and hon. Irshadali Sumra, MP.
3. The Cabinet Secretary for Labour, Social Security and Services will appear at 11.30 a.m. before the Departmental Committee on Labour and Social Welfare to answer questions from hon. Kamoti Mwamkale, MP; hon. Isaac Mwaura, MP; and Hon. Zuleikha Juma, MP.

Hon. Speaker, the House Business Committee will meet on Tuesday, 17th March, 2015 at the rise of the House to consider the business for the rest of the week. I now wish to lay the Statement on the Table of the House.

(Hon. A.B. Duale laid the document on the Table)

Hon. Speaker: Hon. Gumbo, is something out of order? May we hear it so that we can proceed in order?

Hon. (Eng.) Gumbo: Hon. Speaker, as usual, I want to thank the Leader of the Majority Party for laying the agenda of the Business that will appear before the House next week.

Hon. Speaker, I draw your attention to a matter which directly relates to the core business of this Assembly, which is legislation. Article 94(5) of our Constitution says:-

“94(5) No person or body, other than Parliament, has the power make provision having the force of law in Kenya except under authority conferred by this Constitution or by legislation.”

Hon. Speaker, I am raising this matter because, as you may be aware, yesterday, some vacancies were announced at the Central Bank of Kenya by the Public Service Commission. They are vacancies for the Chairperson, Deputy Governor and Governor. To my mind, the vacancies have been advertised based on the Central Bank of Kenya Act, a copy of which I will give you.

According to the Act, the announcement of the vacancies *per se* is an Executive function and has nothing to do with this House. However, Section 13 of the Central Bank

of Kenya Act says that there shall be a Governor who shall be appointed by the President through a transparent and competitive process and with the approval of Parliament.

That is okay but Section 13 (c) (ii) of the Act says that a quorum for any meeting of the Board shall be the Chairperson, the Governor and three directors. Under Section 13 (b), the Act goes on to say that the Board shall appoint one of the Deputy Governors to act in the Office of the Governor whenever (a) the position of the Governor falls vacant in the period before a substantive appointment is made and (b) the Governor is temporarily absent from office. The same Act, under Section 14 says that no person shall be appointed as Chairperson, Governor, Deputy Governor or Director who is, in part (b), a salaried employee of any public entity except on secondment basis.

Hon. Speaker, I am raising these questions because, clearly, if you look at the provisions of the Central Bank of Kenya Act, which was amended here, it is at variance with clear provisions of the Constitution. If you indulge me, I will take you to Article 232 of the Constitution on values and principles of public service. Among the values it talks about is that the values and principles of public service shall include high standards of professional ethics; efficient, effective and economic use of resources; and responsive, prompt, effective, impartial and equitable provisions of service.

Hon. Speaker, Article 10(2)(b) of the Constitution, on the values and principles of governance, says that one of the values and principles of governance shall include human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the rights of the marginalised. Of course, we are all aware of Article 2 of the Constitution, which says that any law, including customary law that is inconsistent with the Constitution is void to the extent of that inconsistency.

Hon. Speaker, I am raising these issues because, clearly, there is a lacuna in law and as the House Business Committee looks at its programmes, it will be very important that the Central Bank of Kenya Act is aligned with the Constitution. For example, Section 14, which excludes certain sections of Kenyans from employment as Governor, clearly offends Article 232 and Article 10 of the Constitution. As a House, whose main mandate is to make laws that govern our country, it is our duty to see this matter as a priority so that we can align the provisions of the Central Bank of Kenya Act with the Constitution and make sure that we do not offend the Constitution.

Thank you, hon. Speaker.

Hon. Speaker: Hon. Members, I do not think there is a big problem. Fortunately, I have read through the various sections of the Central Bank of Kenya Act, and I have had occasion to read some purported petition by the Consumer Federation of Kenya. If any Kenyan thinks that any law, or any provision of any law, is inconsistent with the Constitution; they are supposed to take advantage of Article 165 of the Constitution, go to the High Court to seek an interpretation or declaration. Everybody walking on the streets cannot start saying that this and that is against the Constitution. Not everybody can declare any part of the law unconstitutional. That function is specifically reserved for the High Court, under Article 165 of the Constitution.

So, if the High Court has not declared any of those sections as being unconstitutional and you were in the Tenth Parliament which passed the amendments to the Central Bank Act soon after the promulgation of the new Constitution, I am wondering now what has changed? Just advise the usual culprits who like going to court.

I am sure Kenyans know who they are. Just go and incite them; they will go. These days because they do not have to show any interest, there is no issue of *locus standi* and as long as it is public interest litigation, they will not even pay any cost. They should just go to court and let the court give us an interpretation because if every day here, everybody rises and says he thinks this is against the Constitution, we will have rendered the power of the High Court, under Article 165, redundant.

I am saying this because I had addressed it. But I think the proper forum to address the issue of the unconstitutionality of any provisions of law is the High Court. I agree with you hon. (Eng.) Gumbo that there is nobody who has authority, under Article 94, to make provisions having the force of law except on the authority of the Constitution and it cannot be outside this Parliament. So, you are right but this Parliament, having enacted the amendments to the Central Bank of Kenya Act in the Tenth Parliament, I think we should now leave it to the courts to declare because it will become a bit untidy. Unless, of course, hon. (Eng.) Gumbo - and I know you are very good at this - you brought a proposal to amend the Central Bank of Kenya Act in the manner that you have proposed and seek the concurrence of your colleagues in the House. Of course, nobody can stop you from doing that because you will be exercising your right as a legislator and whatever the results, they will be within the provisions of Article 94.

Hon. (Eng.) Gumbo: Hon. Speaker, it was just a diplomatic way of saying that I intend to bring an amendment to the Central Bank of Kenya Act and to persuade my colleagues to align it with the Constitution but I thank you for the insight.

Hon. Speaker: Very well. I think hon. (Eng.) Gumbo was trying to give a notice of intention but there was nothing out of order. There is nothing wrong with trying to alert other hon. Members that you will be doing this in the near future.

Hon. Members, before we go to the next Order, allow me to recognize members of the House Business Committee of Nyamira County Assembly who are seated in the Speaker's Gallery led by Member of County Assembly (MCA) Reuben Masira who is the Leader of the Majority Party and MCA Jackson Mogusu who is their Leader of the Minority Party.

(Applause)

They have been introduced to the Speaker's Gallery by hon. Ben Momanyi who is the Member of Parliament for Borabu Constituency and hon. Richard Onyonka who is the Member for Kitutu Chache East Constituency.

Hon. Onyonka: South.

Hon. Speaker: But it is one of the Chaches.

(Laughter)

Hon. Speaker: You are welcome.

MOTION

APPROVAL OF THE BUDGET POLICY STATEMENT, 2015

THAT, pursuant to the provisions of Section 25(7) of the Public Finance Management

Act and Standing Order 232, this House adopts the Report of the Budget and Appropriations Committee on the Budget Policy Statement 2015, laid on the Table of the House on Wednesday, March 04, 2015, subject to -

(a) deletion of Part VIII on page 29 of the Report (Financing Measures) and substituting thereof with the new Part VIII (Recommendations and Financing Measures);

(b) insertion of the following new Part IX immediately after new PART VIII-

The Committee, having reviewed the Senate's Resolution on Budget Policy Statement, 2015, further recommends that, in the finalization of the Estimates for 2015/2016 financial year, The National Treasury also takes into account the Senate's Resolution on the Budget Policy Statement, 2015 as contained in the THIRD SCHEDULE herein attached;

(c) insertion of the THIRD SCHEDULE in the Report, immediately after the SECOND SCHEDULE. (proposed new Third Schedule is herein attached)

(Hon. Musyimi on 10.3.2015)

(Resumption of Debate interrupted on 10.3.2015)

Hon. Speaker: Hon. Members, as you will recall, there was quite an extensive discussion on this Motion yesterday on the issues raised by hon. (Eng.) Gumbo. Perhaps it may be fair, although I am aware that the Member on the Floor when the Motion was last debated was hon. Chris Wamalwa, to hear the Chairman of the Budget and Appropriations Committee after which then we will obviously recognize the Deputy Minority Whip.

Hon. Musyimi: I am much obliged, hon. Speaker. I beg to move that the Motion be amended in the proposed paragraph (a).

Hon. Speaker: Maybe it should be further amendment. The other one of yesterday was an amendment so this could be a further amendment.

Hon. Musyimi: I beg your pardon. I wish to move the following amendment to the Budget and Appropriations Committee Report on the Budget Policy Statement 2015.

THAT, the Motion be further amended by deleting the new Part VIII (Recommendations and Financing Measures) and substituting thereof with the following new Part VIII.

THAT, additional resources be provided to the following specific areas:

- (a) Parliamentary Service Commission (PSC), Kshs4.1 billion;
- (b) Public Service Commission for monitoring and evaluation for Senators Kshs1 billion;

- (c) State Department for Planning for Social Affirmative Action Kshs2.1 billion;
- (d) State Department for Planning for Constituencies Development Fund (CDF) Kshs2 billion;

(Applause)

- (e) State Department for Planning for CDF with specific reference to completion of Economic Stimulus Programme (ESP) Centres of Excellence Kshs1, 038,000, 000;

(Applause)

- (f) State Department for Planning for Uwezo Fund Kshs1.45 billion; and,
- (g) Ethics and Anti-Corruption Commission (EACC) for county operation Kshs750,000,000.

An hon. Member: It is dissolved.

Hon. Musyimi: Hon. Speaker,

- (h) Auditor General for county operations Kshs1 billion;
- (i) Independent Policing Oversight Authority (IPOA), Kshs1 billion;
- (j) For completion of *Jua Kali* sheds started under the Economic Stimulus Programme under CDF, Kshs225 million;
- (k) Judiciary for tribunals, Kshs0.5 billion; and,
- (l) Controller of Budget for operations, Kshs112 million.

We also recommend that the ceiling for the Judiciary be set at Kshs18,462,000, 000; the ceiling for PSC be set at Kshs 28 billion; that the county equitable share be maintained at Kshs258 billion and that all other additional expenditure increments contained in First Schedule be deferred until additional resources are available.

Finally, that the National Treasury takes these recommendations into consideration in the finalisation of the Estimates for the 2015/2016 Financial Year.

Hon. Speaker, I want to take this opportunity, first of all, to thank you for your ruling yesterday. I am not surprised you read the mood correctly and judged that it was important for us to sit and deliberate the issues that were on the Floor of the House more than we were able to as the Budget and Appropriations Committee. You also ruled that we sit and take amendments from hon. (Eng.) Gumbo, the PSC and from anybody else who might have wished to bring their amendments. I want to report that we met this morning in County Hall. Hon. (Eng.) Gumbo came; hon. Jimmy Angwenyi (Commissioner) on behalf of the PSC came; hon. Bishop Robert Mutemi came on behalf of special interest groups; hon. (Dr.) Christine Ombaka came with respect to Social Affirmative Action; hon. Wafula Wamunyinyi came with respect to the Salaries and Remuneration Commission (SRC) and we also had a delegation from the Judiciary. As you know and as you have reminded us time and time again, the purpose of the BPS, among other things, is a basically to set ceilings for the three arms of Government.

In the process of setting the ceilings, obviously, there have been some changes and others have wanted to see changes especially with regard to the national Government. Let me just assure hon. Members that we were very pleased to have had the session this morning. I personally benefitted from the deliberations yesterday and also in the meeting this morning.

It is with that in mind that we have deleted the item for public hearings; the entire amount of Kshs3 billion and transferred it.

(Applause)

Hon. Speaker, we have transferred the entire amount and given the Parliamentary Service Commission (PSC) Kshs1 billion; the Constituencies Development Fund (CDF) for Economic Stimulus Package (ESP), Kshs1.38 billion; the Judiciary Kshs500 million; we have added the Office of the Auditor-General an extra Kshs250 million to make the total Kshs1 billion; the Controller of Budget, Kshs112 million and the Independent Policing Oversight Authority (IPOA) Kshs100 million. That is the entire Kshs3 billion. I cannot thank hon. Members enough. I know the mood was a bit tense but that is the flow of the House and that is how it should be.

Let me also indicate that we were not able to accept all the amendments and I want to give the reasons. We had specifically a very difficult amendment from hon. Wamunyinyi who wanted us to reduce the budget for the Salaries and Remuneration Commission (SRC) by 54 per cent to move it from Kshs476 million down to Kshs219.4 million.

(Applause)

Hon. Members: Yes!

Hon. Musyimi: If the amount had been smaller, it might have been easier for us to accept. We were not given sufficient reason to see why we should reduce the budget of an independent constitutional Commission by 54 per cent.

Hon. Members: Why?

Hon. Musyimi: But I am happy to report that we found ourselves constrained to disagree with the Mover of the amendment and that is why I bring it here for the wisdom of this House to speak its mind on the matter.

Hon. Speaker, I am sure you have noticed that in the variations that we are recommending to this House, we have favoured the oversight institutions of this country. We have given money to Parliament because as you know in normal jurisdictions across the world Parliament is a key oversight institution. The Judiciary is a key oversight institution. The Office of the Auditor-General is a key oversight institution. We have leaned in favour of oversight institutions in the money that we have given and that is not without reason.

We say that because there is a huge problem of corruption. Corruption has now become part of our culture. For us to sit here and pretend that anybody is better than any other is probably suffering from the tyranny of self-righteousness. We have a societal problem now called corruption. We feel that as the Budget and Appropriations Committee we need to begin this journey by supporting oversight institutions. We also

need to use our places to encourage families to bring values back to the way we bring up our children; to remind religious institutions in all the religions that we are under duty to teach our children values; to remind, especially those that are charged with the responsibility of raising children in public primary schools, we have a very soft spot for public primary schools. If we lose the public primary schools, we have lost Kenya. That is why we have used every opportunity to tell hon. Members to use CDF money to escalate and invest in public primary schools. I do not say it to pat my back but I spend over 70 per cent of my CDF money on public primary schools in my constituency. The rest, almost the entire amount, goes to the secondary schools.

If we want to regain Kenya and get back our values, we must come back to the families. We must come back to the religious institutions. We must come back to our centres of learning. We must also remind the media - because the media is a very key instrument of socialisation and it influences how people think - electronic, online and print, to be more responsible in what we make available to our children. I come back to where I started, we are losing this country. We might grow the economy and grow the GDP yet find ourselves with an invisible enemy called a country that has no values. If we have no values, it does not matter what our GDP is; we have no country and no future. We have put a lot of this money in Parliament, the Judiciary, the Auditor-General's Office and so on.

As I finish, I want to thank hon. Members again for giving us the opportunity to re-think our position. I know that there were strong emotions yesterday and as I said, that is as it should be. I want to thank hon. (Eng.) Gumbo and those he came with; hon. Midiwo and everybody else. It is your right to take us on and to remind us so that we do things right. What I do not know and I know all of us are wrestling with this is what we are going to do with validating the importance of public hearings. It is very difficult to imagine a situation where a Committee of this House goes out fulfilling its constitutional and legal mandate, takes on public hearings from 14 counties and there is nothing to show for it. That is a question we need to answer. What do we do with public hearings? What are they for? Is it just an academic exercise if there is nothing to show for it after we have been through it? When the National Treasury does its public hearings, we want to see what comes out. We said as much in my report but that may be a question for another day.

Suffice to say, for now we have been helped by this House, I believe to make the right decisions to reverse these allocations so that the entire amount goes to a place that would be of greater help to this country.

I beg to move.

Thank you.

(Applause)

Can I get a Seconder?

Hon. Speaker: Yes.

Hon. Musyimi: Hon. Member for Kigumo, Chairman of Departmental Committee on Energy, Communication and Information. *Waziri*, if you could kindly second. He is also a Member of the Committee.

Hon. Kamau: Thank you very much hon. Speaker, I beg to second.

(Question of the Motion as further amended proposed)

Hon. Speaker: Hon. Members, this is a further amendment. I hope you understood what hon. Musyimi was saying because I could hear a number of you foot-thumping. I hope it was in appreciation or in the knowledge that you understood or that you are now a happier lot than yesterday. I can see; the faces show it. Let us hear hon. (Eng.) Gumbo. Perhaps, I could then put the Question so that we debate the Motion as amended so that we do not spend a lot of time on this.

Hon. (Eng.) Gumbo: Hon. Speaker, I wish to thank the Chairman of the Departmental Committee on Budget and Appropriations, through you, for the opportunity we got this morning to present the issues that came up yesterday before him. Even as we debate the amendments, we must ask ourselves how we got to this. My view is that we got to this because in the proposals that were before us, we did not quite follow the principles of public finance as outlined in Article 201 of the Constitution.

Among the key requirements in Article 201 of the Constitution is that there shall be openness and accountability in the use of public funds. We appeared before the Committee this morning. Of course, our prayer was that the Kshs3billion should be taken to the Constituencies Development Fund (CDF). We had an engagement and at the end of it, the Chairman of the Committee requested us that they needed to canvass among themselves because they also had other requests from other interested sections of this House. Personally, I leave it to the House to decide on the allocations. We were not there when they did the allocations. However, we made our case and we were requested to leave. I leave it to the House to decide whether or not the request that we had put has been satisfied. Personally, I am not satisfied because I wanted all the Kshs3 billion to go the CDF. The money has not been allocated to the CDF. There is also the bigger question. When the Report was prepared, it clearly talked of “additional” which means that there is something else. This “something else” is not coming out clearly. The Chairman, therefore, ought to have explained to us what is additional. It is because it is talking of an additional Kshs3billion?

Hon. Speaker: Hon. Gumbo, are you only speaking to the further amendment?

Hon. (Eng.) Gumbo: Yes, I am speaking to the further amendment. So, hon. Speaker, I am saying that to the extent that we have made some headway, it is a good start. However, it is not entirely satisfactory for me who brought up the issue. I leave it to the rest of the House to also pronounce itself on the matter.

Hon. Speaker: Those who are standing, please, take your seats so that we finish this debate.

Before we proceed to Order No. 8, I had indicated to hon. Members that there was a message I was to make. This is a message on nomination for appointment as commissioners to the Judicial Service Commission.

MESSAGE

NOMINATION FOR APPOINTMENT AS JSC COMMISSIONERS

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Hon. Members, pursuant to the Standing Order No.42, I wish to convey a Message from His Excellency the President which was submitted by way of a letter addressed to my office for conveyance to the House. In the Message, His Excellency the President conveys that, in exercise of powers conferred on him by Article 171(2)(h) of the Constitution of Kenya as read with Section 15(1) of the Judicial Service Act 2011, he nominates the following as members of the Judicial Service Commission:-

1. Kipng'etich Arap Korir Bett;
2. Winifred Waceke Guchu.

Hon. Members, Article 171(2)(h) of the Constitution of Kenya, 2010, requires that the Judicial Service Commission comprise of, among others:-

“(h) One woman and one man to represent the public, not being lawyers, appointed by the President with the approval of the National Assembly.”

Hon. Members, His Excellency the President, therefore, seeks the approval of this House on the nominees for appointment to the aforementioned positions. Our Standing Order No. 45 requires that upon receipt of notification of nominations for appointments, such nominations shall stand committed to the relevant Departmental Committee of the House for consideration. Pursuant to the provisions of the said Standing Order therefore, I hereby refer this Message, including the curriculum vitae of the nominees to the Departmental Committee on Justice and Legal Affairs to undertake the necessary approval hearings.

Hon. Members, Section 15 of the Judicial Service Act, 2011 requires the National Assembly to consider the nominees and either approve or reject them within seven days. You will all agree with me that time is too short if, indeed, the National Assembly is to give this process the consideration it requires. However, hon. Members, may I bring to your attention that this House amended the Public Appointments (Parliamentary Approval) Act, 2011 in November last year to provide that:-

“Despite the provisions of this Act or any other written law, where a time is prescribed for doing an act or taking a proceeding by the National Assembly relating to a public appointment, the National Assembly may, by resolution, extend that time by a period not exceeding 14 days.”

In this regard, the Committee is at liberty to seek an extension of the period prescribed by the Judicial Service Act, 2011, by way of a Motion.

I thank you, hon. Members.

(Resumption of Debate on Budget Policy Statement)

Hon. Speaker: Hon. Members, we go back to the Motion and the record shows that hon. Wakhungu had a balance of six minutes. Hon. Wakhungu, your name has disappeared. You had logged in even before we said prayers. You may speak.

Hon. Wakhungu: Thank you, hon. Speaker. I rise to support this Motion as further amended. First, I want to thank the Budget and Appropriations Committee for listening. Just like the Reverend knows in the Bible, Saul on the way to Damascus changed and become Paul. So, I want to thank you Reverend for that.

I have been looking at the way they distributed the Kshs3billion. The Office of the Auditor-General is very critical and so we agree with the Ksh1billion. We have had many cases where the Auditor-General has been complaining that he has a shortage of manpower. When it comes to county issues we know very well that there has been devolution. However, corruption has also been devolved heavily to the counties.

Hon. Speaker, there is the case of Narok County. I remember this issue coming up at the Senate. When the Auditor-General's Office was required to report it could not comply within the timeframe because of shortage of money. So, it is in good faith because this amount of money is going to add value in as far as issues of corruption are concerned. We had wished the entire amount to go to CDF, but we want to appreciate the little that we have been given because CDF has done so much in this country. We have seen many schools built with money from the CDF.

How I wish this Committee listened to hon. Wamunyinyi's recommendation. This is because when you look at the ceiling that the Salaries and Remuneration Commission (SRC) has been given *vis-a-vis* issues of their performance, you realise that their performance has been below average. When you look at the critical areas of SRC, one of the issues that are being funded is foreign travel. We also saw the issue of training. Up to now, this body does not even have the remuneration policy in place. So, it will have been nice as we move on to have a further amendment so that we explain further to the Chairman of the Budget and Appropriations Committee why the ceiling of SRC must be reduced further. We had also decided earlier that these Commissioners should be on part time because they are overstaffed and yet their output is not commensurate to the amount of money they are given. They are experiencing problems at the county level because job evaluations for the Members of County Assemblies (MCAs) have not been done. Mrs. Sarah Serem has been promising that she is going to do that job evaluation. We also know that job analysis has never been done. So, when we do an audit of this Commission, you realise that it has been in existence, but in terms of the output, it is statistically insignificant.

My humble request to the Budget and Appropriations Committee is to make further amendments, so that we can reduce the ceiling of the Salaries and Remuneration Commission (SRC).

I want to thank the Committee for the allocation that has been given to the Parliamentary Service Commission (PSC). The PSC is very critical as far as the legislative agenda is concerned. I know the Members are here. Some of their offices are not well equipped. If we give more money to the PSC, it is going to help in terms of the welfare of parliamentarians. We are going to improve in the performance of our legislative role.

On the issue of the Commission for the Implementation of the Constitution chaired by Mr. Nyachae, we were in Mombasa with him together with the Chairman of the Constitutional Implementation Oversight Committee (CIOC), hon. Baiya. We know very well that we still have about three or four Bills to go in line with the constitutional timeframe. We do not wish to extend the term of the CIC. Yesterday, I saw Mr. Nyachae here and I do not even know what he was doing. The extension of the CIC term is included here. I highly recommend the extension not to be done. The CIOC promised that

they have the capacity to finish those Bills. We do not need the extension of the term of the CIC.

On the issue of the centres of excellence, I want to thank the Budget and Appropriations Committee. In many constituencies, projects for the establishment of centres of excellence were abandoned. They were not completed. This money is going to help us to finish the projects that had already been initiated by our predecessors, so that the centres of excellence can be used in terms of value addition.

However, I would have wished more money to be allocated for safety nets. In this country, we have about 500,000 people who are getting stipends of Kshs2,000 per month. I wish that some money was given for this. I will be recommending that the money that has been allocated to the Judiciary be taken to the elders in this country. What was allocated is a drop in the ocean. Therefore, further amendments are required so that the money that has gone to the Judiciary can be taken to the elders. This will increase the number of the beneficiaries. This has added a lot of value as far as the elderly are concerned.

On the issue of Senators, it is important for them to be given something so that they can move around. When some of them go to the county, they cannot even move from one place to another. They are incapacitated. So, the Kshs1billion that has been allocated to the speakers should also move in terms of helping the Senators to do close supervision and monitoring.

Hon. Speaker: Your time is over. The Clerk did not pay attention to the way time was moving. Hon. Members, in order to debate this Motion fully, if you look at the Order Paper, I recognise that there is a proposed amendment by hon. Wafula Wamunyinyi.

The best thing is for us to hear his amendment and dispose of it, so that we can then proceed to debate the Motion either as further amended or further, further amended.

Hon. Wamunyinyi: Thank you, hon. Speaker for giving me the opportunity to move a further amendment to this Report of the Budget Policy Statement, 2015.

Before I move on, I would like to thank the Members of the Budget and Appropriations Committee under the leadership of hon. Mutava Musyimi. I was accorded an opportunity this morning to make a presentation. Although they were not satisfied, the fact that they agreed that we resolve the matter on the Floor of the House is good enough.

Hon. Speaker, I beg to move the following further amendment to the Budget and Appropriations Committee Report on the Budget Policy Statement, 2015.

THAT, the Motion be amended by inserting the following after part (c):-

(a) by deleting all the words immediately after the word “ceiling” under item “vi” appearing on page 28 of the Report and substituting thereof with the words “be scaled down to Kshs219.4 million”.

(b) by deleting the figure “Kshs476 million” in the First Schedule to the Report appearing under Vote 208 (Salary and Remuneration Commission) and substituting thereof with figures “Kshs 219.4 million”

(Applause)

This is fairly straightforward. I am merely seeking to reduce. For the benefit of the Members who have not looked at the details, one of the areas which I have captured for reduction is “other operating expenses.” In the explanation, it is supposed to be utilised on consultancy services. Here, it is Kshs91.4 million. Members of the Commission are experts; they are consultants and they do not need to hire more consultants.

(Applause)

The other item which I thought even the Budget and Appropriations Committee ought to have captured, is the fact that under item “(h)” of the detail, there is a provision for office equipment and computer accessories. When you look at item “(k)”, it talks about computers and other Information Technology (IT) equipment. That is duplication. So, I propose that we remove one of them and leave the other. I have removed the one of Kshs8.9 million.

(Laughter)

The other bit which I have noted is hospitality supplies. In my view, hospitality is entertainment. In the explanation, they have said that hospitality is workshops, seminars, conferences and catering services. I think that Kshs79 million for hospitality services is not necessary. I have proposed that this be removed.

(Applause)

Basically, those are the areas which I have captured. What I have done brings the totals to Kshs256 million. I call upon the Members to support this Motion. I have not allocated any amounts that would have been saved anywhere. The money can go towards reducing the global Budget deficit. That will be a contribution to the Budget and Appropriations Committee.

With those few remarks, I beg to move. I ask hon. Duale, the Leader of the Majority Party, to second.

Hon. A.B. Duale: Hon. Speaker, I have a history of speaking my mind, whether I speak for the Government or for the people who elected me. It is the business of this House, under Article 221, to deal with Budget formulation. It is also the business of this House to deal with wastage in the Government. We represent the poorest of the poor in our nation. We have to look at the opportunity cost between consultancy, hospitality, flowers and catering for the people of northern Kenya who are at this moment suffering the scourge of drought. This includes my neighbour, Kitui County, where the Leader of the Minority Party comes from. We are just doing what Article 221 tells us.

That Commission is part-time. They only sit on Thursdays. Because they lead by example in controlling the wage Bill, that gives us the moral high-ground to also control the wastage in terms of public resources.

This is a very clear matter being addressed by not only that Commission but by a number of other Commissions and Government Departments as well. The Budget and

Appropriations Committee has reduced the budget ceilings of a number of Commissions and Government Departments. The Constituencies Development Fund (CDF) wanted Kshs5 billion. I want to assure my friend, hon. Washington Jakoyo Midiwo who came late that we fought for Kshs3 billion but we secured Kshs1 billion. So, we are not badly off. Your war has borne some fruits. There were some dividends but please, next time, do not say that the Chair of the Budget and Appropriations Committee was preaching. He is a very good preacher, but he is also a very good debater. I can confirm that fact.

With those remarks, I beg to second.

Hon. Members: Put the Question! Put the Question.

Hon. Speaker: Is it the mood of the House that I put the Question?

Hon. Members: Yes!

(Question of the Motion as further amended proposed)

Hon. Speaker: Hon. Members, therefore, debate continues on the Motion as further amended by hon. Wafula Wamunyinyi.

Hon. (Ms.) Abdalla: Thank you, hon. Speaker. I beg to support the Motion as amended.

Hon. Speaker, yesterday, I was burning to contribute because as the saying goes, the majority would always have their way as the minority have their say. I was in the minority yesterday afternoon, but since the matter has since been overtaken by events and the Budget and Appropriations Committee has agreed with hon. Gumbo, let me deal with other issues of importance to my Committee and then I will address the very popular issue of transferring the Kshs3 billion to the CDF.

Given the debate of the Ksh3 billion, we may have left out some very important issues. Having listened to hon. Jakoyo and hon. Onyonka yesterday, it is important that I raise these issues because it is clear that some of us are stuck in the old Constitution. We are not appreciating and embracing our role in the Budget making process. During the leadership meeting in Mombasa, hon. Noor mentioned that Parliament was cheating itself that we were doing the Budget. I reprimanded hon. Noor by telling him that if he had not succeeded in changing things in the Budget lines that he was in charge of, the fault was his. However, having heard what the Budget Committee has done, about not raising ceilings; I think we are losing the plot and our role of the Budget making process.

Hon. Speaker, in your Communication on Tuesday, you informed us that we needed to monitor the Budget implementation of public institutions. I want to give a very valid example to illustrate why we are not taking our role as seriously as we should and why the Executive does not appreciate that we have Budget making powers, under the Constitution. There is an institution which has not been given money for salaries for the last three Supplementary Estimates. Every time we have Supplementary Budget, they ask us to give money to that institution. When we were reviewing the Budget Policy Statement (BPS), we asked: "Have you allocated to this institution" and they said: "No". We said: "If you have not allocated money to your own institution, we do not want to be doing your job of adding Supplementary Budget to this institution over and over again." So, we, as a Committee, proposed to the Budget and Appropriations Committee to allocate money to that institution, so that they do not have a justification for coming to us

for Supplementary Budgets in the future. We are told not to burst the ceilings yet the Ministry will later on come back and ask us to give the particular institution money.

Hon. Nyenze: --- (*off-record*)

Hon. (Ms.) Abdalla: Hon. Speaker, I am being asked by hon. Nyenze to mention the institution.

Hon. Speaker: Hon. Amina Abdalla, you would be out of order to say that you have been asked by hon. Nyenze. He has no capacity to ask you.

Hon. (Ms.) Abdalla: Hon. Speaker, I am sorry. I must be going back to the days when he was a Minister. That is probably why I was confused and I started to answer for him.

Hon. Speaker, I have three serious issues I want to speak to. Therefore, I will not get into the debate of answering hon. Nyenze. We are claiming that we are doing programme-based budgeting. If you left out a recurrent cost in your programme, would you be able to transfer that mistake in three subsequent Budgets, unless you are doing incremental budgeting? That is why I am saying we will ask for the bursting of their ceilings when they leave out things that are important.

On the issue of monitoring the Budget implementation process, it is not even an issue of monitoring the process. We are monitoring the targets they are claiming they want to achieve. For some of us, we have been very diligent at following some of the targets, especially where targets relate to national Government function. Let me give this House an example. It is the role of the national Government function to increase the storage capacity in the water sector. In the Budget Policy Statement, the Ministry of Environment, Water and Natural Resources had said that they were going to add 2.4 billion cubic meters of water storage capacity in 15 years. However, in their Medium Term Framework (MTF) paper, they have indicated that they are going to add 50 million cubic meters of water. The Budget Policy Statement that was presented shows that the money allocated to the Ministry for water storage is for only two million cubic metres.

Hon. Speaker, currently, the next source of money for water storage is what comes from devolution. That will cover 16million cubic metres. The rains are starting next week yet the money has not been released. Therefore, the Budget of the 2014/2015 Financial Year will do only 4 per cent of the annual targets that the Ministry has given us. Let us look at what the Ministries tell us during the Supplementary Budget and the targets that they give us. They do not match. Therefore, we raise the needs to make them match with their targets – which end up raising their ceilings. If we do our Budget oversight role properly, we should note that some of the Ministries' budgetary proposals are theoretical. They know that Members of Parliament are too busy to look at their targets and care about the sources of the monies for implementation of the proposed activities. That is why we end up saying that they need to burst their ceilings.

I am saying this in relation to some of the things that they have cited. For us as a House to come and say that we are only adding to oversight institutions and not to the institutions that we are overseeing, then the many hours that we are spending looking at these budgets and the reports from the Auditor- General are a waste of time.

Another issue is the timeliness of this review process. One of the major oversights that we have been following as a Committee has been on duty waiver for a radar at the Meteorological Department. This is one of the Anglo-Leasing projects that have now

been cleared and this radar has been sitting at Kenya Ports Authority (KPA) for the last five years. All we asked in the last budget process is for the Treasury to ask Kenya Revenue Authority (KRA) to waive this so that the radar can be used. Chairs do not have time to sit and wait for the Permanent Secretary (PS) Treasury to come and give his explanation.

The Constitution of Kenya was passed in 2010. That is when we were told that everybody must pay tax including Government institutions. However, this radar arrived in 2006. So, the constitutional excuse being given by the PS is retroactive to this matter. Therefore, if we had time and the period the document was tabled to when it was reviewed, we would be able to deal with the matter. Today they are going to say that they will not give a duty waiver on a matter that came before the new Constitution. That is the law of retroactivity.

The Treasury people are not sitting here. We are just talking to ourselves and unless we do what hon. Wamunyinyi has done to the Salaries and Remuneration Commission (SRC), we will just be a talk shop the way we were before the Constitution was promulgated. Those are the issues in relation to my Committee.

Let me talk about the issues that touch on the minority including the nominated colleagues. I am a minority on this devolved fund issues. We must accept that whether we bribe the Senate and the Women Representatives, it will not change the constitutionality of Constituencies Development Fund (CDF). Let us look at this thing in a more broad way. The problem of CDF is a structural problem. We need to sit down and stop having this thing that anytime somebody says something that you do not agree with, you start clicking and complaining. It is important---

Hon. Ochieng’: On a point of order, hon. Speaker.

Hon. Speaker: Hon. Ochieng has a point of order.

Hon. (Ms.) Abdalla: Let the minority have their say. You will have your way.

Hon. Ochieng: Hon. Speaker, I would not want to disagree with her but is she in order to say that we are bribing Members of the Senate and our Women Representatives in this House?

Hon. Speaker: Hon. Amina, is anybody being bribed?

Hon. (Ms.) Abdalla: I withdraw the “bribe” and say “entice.”

(Laughter)

Hon. Speaker: Let us have the hon. Leader of the Minority Party. You are now contributing to the Motion as amended twice.

Hon. Nyenze: Thank you. I wanted to contribute to the Motion as amended twice and say that the Budget Policy Statement (BPS) published in accordance with Section 25 of Public Finance Management Act 2012 has come up with very good intentions. I am interested in a few sections that I feel I need to contribute.

First, Pillar One of the BPS seeks to create conducive business environment by implementing structural reforms, in collection, business regulatory framework, expenditure management and strengthening of the PFM oversight institution. The amendments that have been brought up by the National Assembly are very necessary.

This is because the main role of the National Assembly is to oversight the Executive and also to ensure that this Budget meets the aspirations of Kenyans.

Kenya is an agricultural country. This Budget of 2015 has only allocated 2.6 per cent to the agriculture sector and yet we know that it employs more than 50 per cent of Kenyans work force both directly and indirectly. It contributes more than 26 per cent to the Gross Domestic Product (GDP) and it is through more allocation to the agriculture sector that this country can grow at double digit. I am urging the Chairman of the Budget and Appropriations Committee, hon. Mutava Musyimi, in the next budget to allocate more money to agriculture. Already he has done a good job but on agriculture, that money is not enough. We want the economy to grow to double digits. Now, the economic growth projections by World Bank and other institutions is that of between 6.5 and 7 per cent if we are lucky. For us to develop fast, more money should be put into agriculture because it employs approximately 80 per cent of the population.

The good bit is that the BPS intends to put money in irrigation agriculture. We have seen in areas where there are good rains, the population is so big and we have these small farms which cannot produce adequate food. However, when we do mechanised agriculture like the one that the Jubilee Government promised in Kulalu/Galana in Tana River, these are the projects that can generate good income and we would be secure in food production.

In arid and semi-arid areas like the place where I come from in Kitui County, the whole of northern Kenya and some parts of Rift Valley are the only areas where we have a lot of land but with no water. There has been some attempt by the Budget and Appropriations Committee to put money into agriculture, development of big dams and so forth. I want to commend the Budget and Appropriations Committee for that. However, I am appealing to them to increase the allocations in the subsequent budgets for water harvesting, storage, and distribution so that we have enough food and water for domestic and industrial production.

The BPS seeks to generate 5,000 megawatts of power before 2017. This would be a good thing. Any country that cannot generate cheap power will be left out.

I have watched people who live along Thika Road near Ruiru as they go to work. Actually that is the road I use as I go to Kitui. I normally see many people going to work to some of the factories there. Whenever I see them I tell myself that surely we can solve the problem of unemployment by building factories like the ones in Ruaraka. Hon. T.J. Kajwang' represents those people. I am urging the Budget and Appropriations Committee headed by Rev. hon. Mutava Musyimi to put more money into manufacturing. If agriculture cannot absorb so many people, manufacturing can do that. We are declining as a manufacturing country and we are being beaten by other countries. We are the largest manufacturing country in East Africa but if we are not careful we will be overtaken by Uganda and Tanzania.

The Fourth Pillar of the BPS seeks to give Kenyans access to social services. This comprises health, education and social protection. If there is a place we should put money then it is health. I am happy that the Government has secured some dialysis and cancer machines for the counties. I must recognise the first lady, Mrs. Margret Kenyatta, for her efforts to save mothers from dying. If there is an area we should put more money, it is in health. Most cancer and kidney patients are referred to Kenyatta National Hospital. The

queues there are so long. The sick persons are told to go home and come back after, say, six months. They are forced to go home to die. This is an area I am appealing to hon. Mutava Musyimi to consider because Kenyans are suffering. Please put more money and support the initiative by the first lady Margret Kenyatta to have mobile clinics so that mothers who give life can do it in dignity in their counties. All the 47 counties should have mobile clinics at all hospitals and should have enough medicine where people can be attended to without having to suffer.

The Budget Policy Statement talks about education. They have allocated money for salaries. The money allocated is not for development of education. A country that has educated people develops faster. Through research and development a country is bound to develop faster. Let us put more money on development of education. The Budget and Appropriations Committee should look at these tertiary colleges. Nearly one million students graduate from primary school, but it is only less than a half who go to secondary school. After Form Four, very few go to university. This country has, however, turned the tertiary colleges and the middle colleges into universities. Who trains this other work force? Those children who do not go to secondary school or universities it is because there are very few places. Most of the colleges have been turned into universities. More money should be allocated to building polytechnics, technical schools and centers of excellence where signs, mathematics and ICT are taught. That way, this country will develop faster.

The Government should pay for goods and services so as to get competitive prices. Today in this country, we have borrowed a lot of money so that the ratio of our GDP to the domestic and external debt is up to 46 per cent. Before we rebased our economy, we had exceeded the 50 per cent. This is very dangerous because Kenya is now paying more money servicing external and internal debts. I urge the Chairman of Budget and Appropriations Committee, in the BPS, to try and reduce borrowing from any sources; both external and internal. When you borrow so much from internal sources, you deny businesses credit and you put the country at risk. When we borrow so much externally, you put the future generation at risks.

With regard to electricity generation, the money that has been put there is not sufficient. Ethiopia has similar conditions like in Kenya. They have geothermal power. It also has hydro power and they are developing so fast and they want to export that energy to us. Kenya should borrow from Ethiopia and build several hydroelectric stations. We also need to develop renewable energy. This is because it is cheaper. An example is geothermal. There is plenty of coal in Kitui. There is clean power production from coal. The Budget and Appropriations Committee should look into that and inject more money into development of that energy that will help this country grow faster. I want to stop at that and support this Motion.

Hon. Musimba: Thank you, hon. Speaker, for this opportunity. I want to support the Motion with the following observations as we wait the tabling of the actual budget statement. From the Budget and Appropriations Committee's own observations, and to echo the words of hon. Amina who left earlier, Parliament has a powerful role of oversight. It is indeed a major indictment on the part of the National Treasury in terms of following through their programmes. When you look at the last ten or so years of the growth rate of this nation, you can see it peaked in the year 2010. This year was

especially special because a lot of the human capital in this nation was mobilised to action. The bedrock of this economy is our youth, disadvantaged women and persons living with disabilities. However, we are not seeing a deliberate engagement of the Budget Policy Statement (BPS) with these groups.

The mainstream industries which are quoted in the securities exchange employ slightly over 300,000 people. Our other cottage industries employ in excess of two million people of this economy. These are the *Jua Kali* artisans. These churn and contribute to more than 60 per cent of the incomes we collect on a yearly basis.

Whereas the National Treasury projects to collect upwards of Kshs1.32 trillion, we need to make deliberate measures in achieving a balanced budget approach towards our economy. In this regard, security is paramount because we are talking about shared prosperity. We must look at things like strategic reserves of our gold and foreign exchange that enables this nation to purchase its inputs. The BPS speaks of about four-and-a-half months whereas we need to grow this to in excess of 24 months. The world is in a volatile state with the crises emanating out of Russia and the Middle East which are the major suppliers of oil. You can see major economies such as the United States of America (USA) are moving away from oil dependency. We need to take such proactive measures as a nation and ensure that these things are well captured because we expose our underbelly.

Such initiatives like pushing for a free port are good. The BPS is talking about its establishment within Nairobi. However, strategically that would be wrong. We need to put it closer to the port, maybe in counties like Taita Taveta and Voi so that we encourage our African neighbours to come and trade with us. This will provide onward mobility. Take the example of the United Arab Emirates (UAE) which has positioned itself as a business hub despite being oil producers. This strategy has worked very well for them over the last 15 years. Today they are a major economic hub. By its geographical location, Kenya can afford the same buoyancies. We would have to go back and look at our strategies of growing these strategic reserves.

When it comes to the area of oil, at any one time Kenya can store only 33,000 cubic metres of oil, which is roughly one-and-a-half months' consumption capacity for this nation. Again, this puts our economy at risk. If anything happens, either at the port or in the Gulf of Aden, we will not be able to get the commodities which propel our economy forward. So, we need to look at how to enhance our storage capacity as we move towards what you call "lifestyles". We need to say: "If we are not growing it, let us not consume it."

You can draw examples from where lifestyle changes have occurred like in our fight against HIV and AIDS. It is possible that people can change their lifestyles. If our foreign currency depletion is as a result of importing things like sugar, which ultimately pose a great health risk to our populace, we should reduce the importation and grow our commodities.

The other pillar to look at is the political pillar. Vision 2030 establishes economic, political and social pillars. The political pillar has been left out. We need to look at how to entrench performance contracting. Our major opportunities in oversight are going to be effective within our committees if we have performance contracting measures within Parliament that cascade down to the committees. We can then say that we are going to

effectively police the Executive. If, as a result of what we are doing, we grow the economy from, say, Kshs2 trillion to Kshs10 trillion over three or four years, a percentage of that should come back to us and it becomes the basis of moving our country forward.

In terms of the social pillar, we have ably talked about shifting funds to our elderly people. Right now it is being done in a very haphazard manner. The Ministry of Labour, Social Security and Services is conducting a proper benchmarking survey to identify these people. However, we need to reward the elderly people. They have lived before us and contributed ably to this nation through consumption and contribution of taxes. If the money we have is to benefit 40,000 people, we need to create a cut-off and make it benefit only people above a certain age, say 70 years. That way, we will have captured 100 per cent of that population class as opposed to leaving people with anxieties. People in our constituencies ask: “Why have I been left out? How come I am not receiving this particular stipend?” We need to create a cut-off age for this money and make it equitable across the board.

When it comes to the area of wastage and governance, we need to entrench our values as a nation and ensure that we are serving all Kenyans equally. In this regard, one area which has been left out, and it was ably mentioned by the Leader of the Minority Party, is the area of Information and Communication Technology (ICT). We have an enabling environment for Business Process Outsourcing (BPO). It can employ 12 million of the youth to serve the entire world. The human capital development in this nation is way ahead of its time. That is why we have a Kenyan descendant as the President of the US. This is a result of how well we have developed this populace. If we engage our accountants to serve other economies like Russia and the Americas by virtue of the time differences, we would employ and deploy so many people. That way, the dream of Konza City will become a reality to everyone in Kenya. Money can be delivered instantaneously around Kenya through the mobile money transfer platform. This would grow us.

Due to the lapse in time, hon. Speaker, I want to thank you for this opportunity. Kenya is indeed a country of plenty. We must shun the spirit of poverty.

Hon. Speaker: Hon. Christine Ombaka.

Hon. (Ms.) Ombaka: Thank you very much, hon. Speaker, for this opportunity. First, let me take this opportunity to appreciate the fact that an Affirmative Action Fund has been included in this BPS. It is a Fund that has never been there. The 47 Women Representatives have suffered greatly because they have had nothing to implement on the ground. Now this has come and we feel great. We feel, however, that a lot of improvement can be done. We have been allocated Kshs2.1 billion which, if you calculate very well, means that every constituency that we represent will get at least Kshs7 million. I feel that Kshs7 million is far too little to manage a constituency and that a little increment would have been realistic in this context.

That is why this morning I tried my best to influence the Committee to give us an additional Kshs1 billion so that if it is spread across the county every constituency would have Kshs10 million. I thought this could be taken from anywhere. There is so much money that is spread around from which we can get Kshs1 billion. It is not too late because amendments can be made. However, my observation is that we should continue to allocate funds to areas that we feel have not performed very well in the past. There are

some monies for completion of *Jua Kali* sheds under the Economic Stimulus Programme (ESP). We have allocated Kshs225 million for that.

One of the activities that we will be undertaking is putting up sheds in market places. This would be a kind of duplication and we may need to lift this money and push it to the Women Fund. This is a realistic thing for the women to do when it comes to putting up sheds in markets. Therefore, the Kshs225 million, in my view, would be better placed under the affirmative action to boost the work that they are going to do in terms of putting up sheds in markets places.

Generally, in my view, the Budget has not addressed the issue of poverty in a practical manner. That is why the Affirmative Fund is more practical because among the things that the Women Representatives are going to undertake is to establish cottage industries. If you look at the village set up, many little industries keep coming up but the Government has never allocated money to improve them. Pottery and bead making are some of the areas that will fall under the cottage industry, which requires a little bit more money and training so that the youth and the women who are involved in them could have better skills to uplift their work to generate funds.

Another thing that has never been addressed in the Budget is issues that deal with health. In a context such as alcohol and drug abuse, this has been left behind. Now, women are going to handle alcohol and drug abuse and gender-based violence. They will also establish centres where counseling and rehabilitation can take place. They will also put up centres where victims of violence can have shelter and be looked after while they wait for their cases.

Part of the work of this Fund will be to promote sports and cultural activities. There is a Ministry of Sports, Culture and the Arts, but nobody sees what they do with the money that they have. The role of women in this context will address those areas where a big gap has been left by the various Ministries. There is so much need to improve these areas. There is need to reconsider the Fund that is given to women. The Kshs7 million per constituency is insufficient. Some of us run six constituencies, for example, and that will mean Kshs7 million per constituency. It is far too much a drop in the ocean. I would wish that money is re-allocated. I insist that Kshs1 billion can be found to be added to the Kshs2.1 billion that has been given to the women, so that every constituency receives Kshs10 million for every Woman Representative. So, those who have two constituencies would just receive Kshs20 million, those who have six, like I do, would receive Kshs60 million and those who have 17, like my sister hon. Shebesh, would have a little more to manage.

I appreciate the work that has been done so far. But with those kinds of amendments to think about women when you are budgeting is important. It is important to be gender sensitive when you are coming up with a Budget like this. So, we need to seal the gaps that are there. The more we do that, the more realistic the situation will be. The work of the Senators, to monitor and evaluate the work on the ground, is going to be more realistic because they will be come with indicators to show the progress. I believe the Government wants to do the best they can. They want to change lives. If you want to change lives, you must put more money in the hands of women. The 47 Women Representative will give you the results that you want.

I support the Motion.

Hon. Lati: Thank you, hon. Speaker for giving me this opportunity. First of all, I want to thank you for the wisdom you portrayed yesterday to allow Eng. Gumbo and the rest of the Members of Parliament to have a sitting with the Budget and Appropriations Committee. I realise today that the emotions that were raised in this House were almost for nothing. We got into a very fair understanding with the team on the issues.

First of all, we realised that there was no dispute on the provisions of Article 221(4) and (5). We realised that the arguments were on the modalities and the way to do public hearings. This is one area that we will continue to explore until we arrive at that situation where we are all in agreement in this House, so that we can follow the provisions of Article 221 of the Constitution, which, otherwise, we cannot help. I thought I should thank you for that because it provided a good avenue for all of us to get into an understanding.

Having said that, the BPS that is before us today is a Statement in our country that is supposed to cover broadly three basic areas. Firstly, it is supposed to provide the general macro-economic outlook for our economy. Secondly, it is supposed to provide how we are going to fund our Budget, namely, the projected revenue sources, projected expenditure and projected borrowing. The other thing that the BPS is supposed to do is to provide for ceilings for different Government expenditure areas. Finally, it is supposed to provide for the fiscal responsibility that we need as a country on the running of our Budget; generally the Government Fiscal Policy.

If I were to look at these areas provided for by the BPS, this is one year that I would say that truly, God is on our side as a country. Our economy in 2015 has picked up very well for obvious good reasons. The World Bank just upgraded our economic outlook from about 4.7 per cent to about 6.9. It is rare for the World Bank to upgrade economic growth projections. There are inputs in this economy that are providing a lot of leverage for us to have a good economic growth and help our people to prosper. The first one is the Standard Gauge Railway. I want to thank the Jubilee Government for starting this project. It will create expenditures and investments into our economy that will push our economy forward.

The other thing that is worth mentioning in terms of macro-economic outlook is the inflationary pressure that has always been a big problem to our economy. It has always been the greatest risk. It now stands at about six per cent. We got the hand of God with the fall of oil prices around the world to around US\$65 a barrel. That has been a live line to our economy, which is an oil importing nation. It is for that reason that we expect our economy to gain from the drop in oil prices by about 1.2 per cent of the GDP. This goes further to help our economy. The shilling has had a lot of pressure but now with the price of oil coming down, we expect our exchange rate to remain stable although the shilling has been resilient for this period of time.

We still have risks to our economy like security. We depend on tourism and unless something is done as far as terrorism is concerned, we might have a soft underbelly in terms of tourism.

[The Speaker left the Chair]

[The Temporary Deputy Speaker]

(Hon. Kajwang') took the Chair]

I am grateful for the appointment of hon. Nkaissery. For some reason, we have had a good time since he was appointed. I do not know whether it is about him or sentiments about him that made us get good security results for the last few months.

Talking of revenues and expenditures, our revenue source projection is only about Kshs1.4 trillion while our Budget is about Kshs2 trillion. You expect the deficit of Kshs600 billion to be met through borrowing. We remain, as always, which is unfortunate, a deficit Budget country. We have never had a surplus since Independence. We need to get there. That is the only time we can create sovereign wealth. Today, we need to be very careful about the ballooning Government expenditure. It is the reason we now have a Budget deficit of about Kshs600 billion.

Government expenditure in itself is a good thing to the economy. However, when government becomes a borrower, because it cannot finance its Budget through revenues, it impacts on the lives of every Kenyan. It affects the interest rates, the most important thing that all of us tend to get out of banks. I am glad that, through the wisdom of this Committee and involvement with the National Treasury, we have covered one very important area in that aspect – the capping of domestic borrowing at Kshs200 billion. It will go a long way in helping our economy.

Having sat through the Committee meetings, I realised that there is a reason as to why the Budget Policy Statement provides for ceilings for various Ministries. I appreciate the National Treasury for the ceilings they have provided this year. I realised that Ministries like to circumvent ceilings created by the National Treasury. If you look at them very closely, you will realise that the National Treasury does all these things in very good faith. I looked at the Ministry of East African Affairs, Commerce and Tourism and found that they wanted to increase the last Budget by about 3 per cent. You cannot just wake up one day and start thinking that what you spent last year should go up by about 300 per cent.

Just like everybody else, today I was not very sympathetic about the Salaries and Remuneration Commission (SRC) Budget being cut. However, I realised that some of these Commissions take this House for granted in so many ways. Since the House has already passed that, I will go with it but next time we should consult them. I did not see the rationale for doing that to them. Again, maybe, it is the attitude of these commissions that has made this House to act in so punitive ways. I thank the Budget and Appropriations Committee and my friends, like Eng. Gumbo, who brought this proposal, so that we can put some money to the Economic Stimulus Programmes, in addition to the Constituencies Development Fund (CDF).

I want to speak about CDF, which has been one of the greatest success stories of our country. If you were to go to any part of our country, you will realise that the CDF has had a success story in almost every village. I do not know any other programme that will be as successful as the CDF. There is a reason as to why the CDF is so successful. It is because we have put ceilings. The CDF was the first devolution in this country. Apart from its devolution, there is another very important element within the CDF framework. We have put CDF at almost 95 per cent development and only at 6 per cent recurrent. That is what the county governments should borrow. They should borrow the best

practices from the CDF because that is why the CDF is working. It is not an expenditure programme; it is a development programme. If county government monies were to be applied in the same way, it would go a long way in helping our people.

The other thing I want to speak about is the money that we are giving to different legislative bodies within Parliament. Just like what we did last year, we have given some money to the Women Representatives of this House. However, I ask the ladies and everybody in this House to stop the attitude of thinking that we provide money because somebody is suffering. That money is provided because there is a need-gap that the Women Representatives are going to fill. It is not because they are suffering. There is a need-gap somewhere. We should stop the thinking that we get money because we are legislators. The CDF is not mine. It is there because there is a constituency which is not covered by anybody. That need-gap is what the CDF is covering. It is not because I am a Member of Parliament.

Hon. Temporary Deputy Speaker, I support.

The Temporary Deputy Speaker (Hon. Kajwang'): Member for Alego Usonga!

Hon. G.W. Omondi: Thank you, hon. Temporary Deputy Speaker, for giving me the opportunity to talk about the Budget Policy Statement, as amended twice. I will not dwell much on the figures that have been presented in this Budget Policy Statement because, we, in the Budget and Appropriations Committee, looked at this document very adequately.

The accounting bit of the Budget Policy Statement has been adequately addressed. Therefore, I do not want to go into that aspect. I will address myself to some deficiencies or shortcomings that I have noted in the Budget Policy Statement. The Budget Policy Statement should spell out the economic, political and social environment which contains the fundamental past, present and the future that inform the figures going into the Budget projections and allocations. These are informed by the economic fundamentals, which are supposed to be spelt out in the Budget Policy Statement. This is lacking in the Budget Policy Statement presented to us.

As a budget making House, we are almost halfway because we have looked at the figures. However, the Budget Policy Statement is inadequate in presenting the facts or information that informs these figures. The information we have from the Budget Policy Statement is very disjointed. We are not getting the status of what was planned previously. We are not being told where those programmes have reached and whether they are successful. For example, we are not being told about the status of the irrigation scheme in Galana area where we were told that 100,000 acres of land are being irrigated. In order to make the Budget adequate, this should be shown. We should be told the status of this scheme so that we can appreciate that the Budget Policy Statement presented has taken into account the goings-on in the economy. We are not aware whether we are moving forward or backward. Some programmes which had not been included before have been put forward.

Secondly, the bottom-line of all budgets is growth. We are being told how we are going to grow but how are we growing? We are not being told what is happening to poverty, inequality and how we are sharing this growth. Eventually, when we have grown our economy at 5, 6 or 7 per cent, the Budget Policy Statement should tell us if that growth is going to reduce our poverty or inequality. That needs to be there.

Going back to what I said earlier, what seems to be happening at the National Treasury, where we are not getting information about the programmes made, it appears that there is lack of adequate monitoring and evaluation. If there was monitoring and evaluation, we would be getting the status of the programmes that were in the Budget Policy Statement before.

Hon. Temporary Deputy Speaker, the other weakness I detect in the Budget Policy Statement is that it does not give us the dangerous areas that may drag our economy and not make us achieve the percentages we are saying the economy will grow by. For example, the Budget Policy Statement has not adequately addressed what is happening in the manufacturing sector. When you read the information available outside there, you will find that there is lack of competitiveness and low productivity in our manufacturing sector. This may drag down the projections we have of how the economy will grow.

This is because the contribution of the manufacturing sector to the GDP is low and this may make the projections not to be achieved, hon. Speaker. More so, the Kenyan population is only under 40 million people and this, if it is the only market we are looking at, we may not grow as much as we are projecting. The BPS should come up and tell us how this manufacturing is going to position itself with respect to COMESA wider market because the Kenya population which is slightly under 40 million people is not sufficient to provide meaningful push in the production capacity.

With those few remarks, I find that the BPS should be more elaborate than it has been presented here. The figures are okay but what makes those figures is not clear hon. Speaker. We need this to be given to us a little bit earlier in future because the way it is being given we can only look at the figures. We are being given this thing hurriedly such that the only thing we can do is the accounting bit of it but not the policy bit of it because that needs time to read, research and analyse.

Hon. Temporary Deputy Speaker, with those few remarks I support the figures as presented and the ceilings and I particularly like to appreciate the fact that the oversight institutions have been given money to be able to fight corruption

I support the Motion as amended twice.

The Temporary Deputy Speaker (Hon. Kajwang'): Hon. Member for Shinyalu, I know people close when they close their eyes but it is hard to see how somebody will sleep when his eyes are open.

(Laughter)

Hon. Anami: Thank you, hon. Temporary Deputy Speaker. This is a BPS which provides the foundation and the basis upon which budget estimates will be constructed and structured. If this be the position, then there are some fundamental concerns that we need to address. For example, this East African Community money thing, how is it impacting, and to be specific, we have the loss of jobs in Mombasa because as Kenyans we are so kind and friendly to our partners within East Africa to the extent that our neighbouring countries now have their own clearing houses in Mombasa. How does this affect our economy? Then, we also want to look at our poverty situation, hon. Temporary Deputy Speaker. When we analyse our poverty index we see that there are some areas

that need urgent intervention for example in the cash transfer to the aged, youth, women and people living with disabilities. It is very important that we critically think about this, in a way that we engage in mitigating activities during our budgeting process that will heal the situation of poverty. I am happy with this BPS because it addresses the issue of Uwezo Fund. This was a wonderful idea of a revolving Fund which was adopted. I am happy that more money is being put in it. This is very encouraging. But when it comes to the estimates, it is important that the National Treasury puts maximum money to this sector so that the youth, women, aged and people living with disabilities who are mostly affected by the situation of unemployment and poverty are given more money to do business. I would like to support the issue of the *Jua Kali* sector 100 per cent and I would like to do that alongside the other concern of stalled projects. We have a lot of stalled projects around and they are almost becoming a tourist attraction. I had an opportunity, while serving in the Departmental Committee on Education, Research and Technology to visit Egerton, Maseno and Masinde Muliro universities and we have mega constructions that started in 1992, these are stalled projects and the variations that arise from these stagnant projects continue to increase and we will be spending a lot of money on them. Why do we not prioritise such concerns so that they are completed and we get benefits? While these constructions are not going on, our institutions are spending a lot of money hiring accommodation and space within towns. The same situation is happening in our schools. There are many stalled projects. In my constituency alone, I require 324 classrooms just to keep the running schools moving. So, we need to address the situation of stalled projects. I am happy with the *Jua Kali* intervention, this is very important.

Hon. Temporary Deputy Speaker, there is the issue of where we are and where we are going. The human resource component needs to be managed properly, the Jubilee Government promised employment to the youth. We need to be walking towards this direction. I like this BPS but we need to get more practical on the issue of creation of employment. We should have aspects that are pointing directly at creation of employment to the youth in this BPS. It is good that we have the spirit and the willingness to support the aged people who are above 65 years of age. But, how much are we doing because so many of them are out there and are not being helped?

Hon. Temporary Deputy Speaker, these aged people are living with grandchildren and great-grandchildren who have come into their hands courtesy of the HIV epidemic. It is important we address the welfare of elderly people in the social sector more decisively. I would like to also raise my concerns on the disbursement of these funds once they have been appropriated. There is the rate of absorption which needs to be considered as we appropriate these funds

We have institutions which hardly spend these monies. When they are given resources they do not spend the money and there is a lot of wastage. I think this BPS should carry the spirit where we say, the more you spend the more you get because when they spend, these institutions give us the motivation to give them more funds. That we have shown the willingness to give them money should not mean that they should get this money directly or without any consideration of how they are performing.

Hon. Temporary Deputy Speaker, there is also the issue of the Exchequer release of these resources. The Exchequer needs to be encouraged to consistently release the resources once they have been appropriated. I know it will be a challenge because they

are supposed to obtain the money through revenue collection but we need to have a consistent way of disbursing those resources so that we do not have cases of strikes every now and then.

With those many remarks, I wish to support the adoption of this Budget Policy Statement (BPS).

Hon. Oyugi: Thank you, hon. Temporary Deputy Speaker. I would like to support the adoption of this BPS as further amended.

Before I speak to the main document, allow me to speak to the resolutions of the Senate that we adopted to have as part of the BPS. Paragraph 2 of the Senate Resolutions talks about direct cash disbursements to persons with disabilities, persons of old age and social safety net programmes. I think the proposal from the Senate is welcome. Presently, the way we conduct business in terms of advancing money to old people, orphans and other people in need is not very well thought out. In these various sectors, you find clusters and various spheres that are not very well coordinated. So, you have parts of the country where a few old people benefit and other parts where a few orphans benefit. There ought to be a matrix of sorts in terms of either we agree that we are going to give people of a certain age limit all the money across the country and even if is 1,000 people in a particular age group, that then should be thought through.

We should also think about how we, for example, support vulnerable persons of a particular cadre so that it is not haphazardly done in the manner we are doing it currently. This is because it creates an interesting distinction and most people do not understand how we are moving. It is possible to allocate more money to support the disadvantaged groups but the process of doing that needs to be thought through, through a particular matrix.

Hon. Temporary Deputy Speaker. The second thing is the two policies that the Senate does speak to. These are honourable things, but the country needs to have an Information and Communication Technology (ICT) policy and a policy on leasing of equipment. Right now there is a small controversy between the county governments and national Government on the basis of leasing equipment for medical services. We ought to have a Government that is run on the basis of policy. Most of the things we do as a country look like they have no policy foundation. They look like people wake up and haphazardly do them. Moving forward, we ought to have, for example, a listing of equipment policy so that if we lease equipment for hospitals it is clear. In the BPS, issues of leasing cars to police and security if not thought through in terms of policy issues, might end up favouring a couple of people if not properly done and that gives route to corruption.

Hon. Temporary Deputy Speaker, the other thing I would like to speak to is the need to boost agricultural production. Kenya being 70 per cent an agricultural country, we ought to be thinking about how best to give incentives to our farmers. Progressive countries give subsidies to their various farmers. Farmers in places that grow maize and millet ought to know how much money they will be earning per sack of maize and millet. Then, they will have an incentive and a reason to produce more to make Kenya a food secure country. We cannot be 70 per cent an agricultural country yet we are always in the business of giving relief food or importing food to feed our own. If we cannot feed ourselves as a country, then we are in the wrong track. This only happens because our

farmers are not given subsidies and incentives to ensure that they do their very best in terms of agriculture.

Having agreed with a couple of proposals the Senate has made, I have an issue with two proposals they have made that I would like the house to consider. The first one is paragraph 12 which it talks about the extension of the term of the Commission for the Implementation of the Constitution (CIC). In the Sixth Schedule under paragraph 5(7) of the Constitution, the term limit of CIC is stated. It was envisaged to be five years after its establishment or at full implementation of the Constitution as determined by Parliament, whichever is sooner. Of course there is leeway to extend the mandate of this Commission. But if we are to be honest, the reason why CIC was given a five term limit was because it was anticipated that all the laws that will help implement the Constitution would have either been thought through by then or would have been made by then. The law anticipated in Article 27(8) of the Constitution is one of the fundamental laws that the Commission should have been handling. It is supposed to operationalise the one-third gender rule. This law is important because apart from having a constitutional deadline, if not achieved, the implication is a possible dissolution of Parliament. For the five years the Commission has been in office, they have done nothing and there is a proposal to give them an extension. That will not be fair.

Hon. Temporary Deputy Speaker, laws under Article 59 of the Constitution like laws on Persons Deprived of Liberty and the Victims Protection Act for instance, took a member's own initiative - I know my very good sister hon. Millie Mabona had to make a proposal in terms of activating Article 59 of the Constitution which was a preserve of the CIC. It is not in order for us to imagine extending the term of this Commission. In all fairness, the Commission should do its very best in the remaining few days. I am sure this particular decision will be coming to the Departmental Committee on Justice and Legal Affairs which you, Temporary Deputy Speaker and I sit and we need to elucidate.

In Paragraph 16, whereas I agree that devolution is good and it should always be supported, the assertion by the Senate that all functions together with resources tied to them on health and agriculture should be immediately sent to the counties even in the absence of a clear framework under Article 187 is misplaced. The Senate instead, should ensure that the various functions of counties as captured in the Fourth Schedule of the Constitution have been transferred. In its oversight role, it should ensure that counties are ready to take up the functions.

Hon. Temporary Deputy Speaker, turning to the main BPS, at paragraph five, the Committee has done well. Even though there are various things anchored in law aligning development strategies in the counties, how to achieve the leverage between the counties and the national Government has not been thought through. In terms of prioritisation and strategies, we need to harmonize how development is achieved both at the national level and at the counties in a seamless manner that does not create conflict.

On governance, there is no status report as to whether the proposed targets of the Ethics and Ant-Corruption Commission (EACC) in the BPS of 2014/2015 were achieved. Currently, what is happening at the EACC is not fun. It is fighting within itself. The EACC can also not achieve its targets. It is not showing us how best it will deal with them. Even though in this proposal we are giving EACC more money - which was a

proposal of the Departmental Committee on Justice and Legal Affairs – it needs to be brought to terms and asked to achieve its various targets.

Hon. Temporary Deputy Speaker, I would like to speak to the ninth paragraph in the main Budget Policy Statement and that is to do with enhancing security for sustained growth and employment. I see here that there is a proposal to put up Closed Circuit Television (CCTV) cameras all over the place. Whereas it is a good thing that we want to enhance security, we must be doing the right things in terms of ensuring that whatever we do gives us the results that we desire. Lastly, before I am cut off---

The Temporary Deputy Speaker (Hon. Kajwang’): Sorry, that was all the time that you could get.

Member for Rarieda.

Hon. (Eng.) Gumbo: Thank you, hon. Temporary Deputy Speaker for giving me the opportunity to contribute to the Motion on Budget Policy Statement. As I contribute to this, it is important that every time we talk on every issue of public finance, we are guided by the provisions of Article 201 of the Constitution which are very clear. I say this because looking at the Budget Policy Statement as has been presented here today, we have had issues. For instance, if you recall, the debate on this Motion had to be suspended yesterday because we were questioning some of the provisions in that document. My sense and I have said this before even before the Committee is that if we could hold true fidelity to the provisions of this Article of the Constitution, then we would not have to --- For the avoidance of doubt, every time we talk about public funds, it is important we adhere to the principle that there shall be openness and accountability, including public participation.

Hon. Temporary Deputy Speaker, yes, it is true that the stalemate that we had was on public participation, but as is always the case the Constitution is about broad principles. We all require public participation. I am an Engineer by training like my good friend and senior hon. (Eng.) Mahamud. Public participation is one of the ways of identifying gaps and this is the contention that we have had. We know that in any society, the one thing that will be certain is that the needs of the people in that society will always be more than the resources available in that society.

I am reminded of a case I encountered when I visited the United States of America. I had an engagement with the Members of Congress. You know that back there senior Members are called Ranking Members. One of the senior Members told us that he could not continue with the discussion because he had a project in his area of representation which he needed to go and canvass for. I then asked myself: “This is the largest economy in the world. If the representatives of the people have to still canvass for projects to be done in their area, what about a Third World country like Kenya? What am I saying exactly hon. Temporary Deputy Speaker? What I am saying is that each one of the 290 constituencies in this country has got gaps that will need funding. If you go to any constituency whether it is Rarieda, Siaya County or Mandera County where my senior colleague comes from, you definitely will identify gaps. No one questions that. Every time you hold a public hearing anywhere in Kenya whether it is in Nairobi, Mandera, Kajiado, Siaya or Turkana, you will definitely identify gaps. The problem then is about the methodology that will be used to decide on targets for each year. We know that it is not possible to hold discussions in every ward and constituency in this country.

As we go forward, let debates like the one we had yesterday inform the need for us to develop structures. We have had the provisions and it is very clear what it is required in a Budget Policy Statement. This is not something that we are doing for the first time. We enacted the Public Finance Management (PFM) Act, 2012. Now, Clause 25 of that Act is very clear that we need a Budget Policy Statement. So, when we delve into minute items of things that are operational in nature we will be deviating from the main thing. This is not just my creation. The provisions of Clause 25(3) of the PFM Act state clearly that in preparing the Budget Policy Statement, the national Treasury shall set out the broad strategic priorities and policy goals that will guide the national Government and the county governments in preparing their Budget.

Hon. Temporary Deputy Speaker, we are talking about broad policy goals which you have to look at because there are two sides to this equation. You want to have these programmes that you want to set budget for. How do you finance them? You have to look at the matrix and your revenue. You will have, in essence, two sets of matrices. You will have to look at the supply side which is basically the revenue and the demand side which consists of the expenses. We got into that situation because -with due respect to the Budget and Appropriations Committee - it became too labyrinthine. We are having issues that ought to appear as detail items in the Budget. What we needed are just broad policy outlines. We need to adhere to that principle where we look at the Budget Policy Statement as a policy of supply and demand and we do not delve into the details which will come out in the printed estimates. Some of the items that I saw here, with all due respect, ought to come in the printed estimates and that way it will not clog this. What we needed to do is to show where we are coming from. Yes, we have heard arguments and people have told us that they went, for example, to Isiolo and they found a bridge. I can tell you even if you go to Ruaraka where the hon. Temporary Deputy Speaker comes from, you will find a gap that probably you will not fill this year. That is why as we enumerate the gaps we do not just enumerate the gaps, but we also set priorities because if each one of us was told to come up with gaps that need to be filled as we were being told today, we will clog the Budget and we will move nowhere.

These are public funds. When you come and say that we identify a need somewhere and yet, honestly speaking, the principle of public finance calls for transparency and openness, indeed, if that need was identified why can you not have an annexure showing clearly that we went to Mandera and this is what we found? Why do you encapsulate it in some sort of secrecy? When things appear to be encapsulated in secrecy, then people start to question and sometimes it may not even be in bad faith; it may just be that this was an omission. However, this lacuna can be avoided if we stick to what the Budget Policy Statement really is. I believe it is very clear, especially looking at Clause 25(3) and (4) which state what should be in this. Perhaps, arising out of the debate that we had, I would not even want to call it a stalemate because it was a good engagement that gave us the opportunity to engage with the Budget and Appropriations Committee. My sister is here. Please, let her not see like we are trying to undermine her. Far from it, I have been in this House and I realise the value of Committees.

When we engage like this, each of us needs to understand that at the end of the day, whatever we do here, none of us comes here to canvass for himself. I do not come here to canvass for the Gumbo family. I come here to canvass for the public of Rarieda.

You, hon. Temporary Deputy Speaker, come here to canvass for the public of Ruaraka. That is why we are on taxpayer's money and public expenditure.

The Temporary Deputy Speaker (Hon. Kajwang'): You have done very well. I am trying to trace where you were.

Hon. (Eng.) Gumbo: Thank you, hon. Temporary Deputy Speaker. I would request our friends in the Budget and Appropriations Committee that when we engage in the 2016/2017 Budget Policy Statement, they should come with a clear methodology, so that they can walk us through what they want to do and convince all of us that what they are doing is in the interests of the Kenyan public. Even, as we know, they cannot take care of everybody. The methodology will provide safeguards for picking out the areas that need most urgent attention.

With those remarks, I support the Motion.

Hon. Mwaura: Thank you, hon. Temporary Deputy Speaker. I rise to speak to the Motion on the Budget Policy Statement. This has been a very engaging process as a Member of the Budget and Appropriations Committee.

There are various issues that arise in my observation. If you look at the manner in which we are allocating funds, there is no covariance between that and the five pillars as enshrined in the proposed Budget Policy Statement (BPS). This is very worrying. It, therefore, means that there is a very distinct dichotomy between the narrative of the Statement and the resource envelope as provided for. Going forward, there is a need to align these two to ensure that whatever resources and narrative that we have around the attainment of the various targets including the Vision 2030, some of these priorities are funded.

Even when you look at the very funding that has been allocated to sectors that would speak to the five pillars of the BPS, you realise that there is disconnect between such allocations and the aim of the BPS with regard to the outputs and outcomes. That is something that needs to be looked into, so that we do not just repackage an incremental budgeting process and call it a program and yet most of the funds are not really going to ensure that, indeed, we get the desired results.

The other issue that I also want to note is that there is a very limited timeline for the consideration of the BPS. We had to sit very late at night and over the weekend as the Budget and Appropriations Committee, to listen to the various submissions. We felt that it was not adequate that we have to go through all these provisions within such a limited time. There is a need, therefore, to amend the Public Finance Management Act (PFM), so that we can provide for more adequate consultations and engagements.

There are quite a number of serious questions that were raised by the Committee that would suffice the proper interaction between the Committee, the various Cabinet Secretaries and Chairpersons of the various Departmental Committees that did not take place. In my opinion, this would have helped, so that, for example, when we are allocating resources, we know that they are going to achieve the desired effect for which they were asked.

The Budget and Appropriations Committee observed and rightfully so that the targets set out by the Kenya Revenue Authority (KRA) to collect taxes may have been very high. In fact, the Committee observed that we need to reduce that target by Kshs50 billion if we were to go by the performance of last year. This is very important because it

has an impact on issues to do with Exchequer release, as and when money is available for the implementation of projects and most importantly project delivery. Going forward, we need to look at this issue even through the Committee on Finance, Planning and Trade to ensure that there are realistic targets. It is good to be optimistic with regard to collection of revenue. In fact, there is no more justification for KRA to work harder than the demands that we are getting in order to fulfill them. Currently, there is a gap of about Kshs50 billion. This, in itself, has limited the way the Committee would have wanted to express itself on the resource envelopes and the ceilings. If, for example, these resources were available, it would have helped to allocate resources to various projects, spending agencies and Ministries that we felt were very deserving.

A good case in point of that departure is, for example, the BPS speaks to the issue of having an urban commuter railway so that we can ease congestion in Nairobi. The project is supposed to cost about Kshs25 billion yet there is not a single resource allocation provided for that as an intervention mechanism. This then, therefore, goes to show that some of these achievements may just remain on paper.

The other concern that I have is that when you look at the Budget-making process, before the ceilings are agreed upon, we have sector hearings and various Ministries argue their case as to why they should get more money within their various sectors. If they feel that they do not have enough resources as allocated by those sectors, they can come to Parliament to argue their case. We have a situation where we are told that the ceilings have been properly expressed to the various Ministries by the National Treasury and, therefore, we should go by that. I beg to differ because the role of Parliament has changed. We are now a Budget-making institution. I believe that with the concurrence of the National Treasury under Article 114 we, indeed, have the power to redo the whole Budget if we feel it is not meeting the concerns of Kenyans. That needs to go on record so that this Parliament must not be seen to be emasculating its own powers merely because we are supposed to concur with the Executive.

There is a concern I have about the manner in which we are going about allocating resources in this Parliament. I want to speak to the issue of systemic discrimination and marginalisation of groups of persons, that based on the new Constitution have found their representation increased in this House. I have seen women struggling to increase their funding from Kshs2 billion to Kshs3 billion. I have seen other people being given more resources without much ado. Is it just because they are women that they cannot get the funds they would want of Kshs10 million per constituency? These are some of the things that continue to marginalise people who are categorised in Article 100 as marginalised groups of people. If you want to remove that form of marginalisation, then you put your money where your mouth is. Going forward, we need to speak to this issue.

Hon. Speaker, there was also a very strong representation of the creation of special interest issues fund of about Kshs300million.

The Temporary Deputy Speaker (Hon. Kajwang’): Just a minute, nominated Member. Let me understand this, are you saying that women are not marginalised?

Hon. Mwaura: Hon. Temporary Deputy Speaker, I said that women are marginalised systemically. That is what I mean.

The Temporary Deputy Speaker (Hon. Kajwang’): Did I hear you say that women are finding it easy to raise---

Hon. Mwaura: No, they are finding it more difficult when others find it easy for their allocations to be increased. That is actually systemic marginalisation. We, the nominated Members of Parliament, who were nominated to represent special interest, argued a case for a special interest issues fund.

The Temporary Deputy Speaker (Hon. Kajwang’): Now, I hear you. I thought you were arguing the reverse.

Hon. Mwaura: No, no, no, hon. Temporary Deputy Speaker.

Our request for a special interest issues fund was declined casually yet the other money was being shared left, right and centre; as if we are sharing a piece of cake. Therefore, we really need to look at some of these issues. I am surprised that ten minutes are over.

One of the other things that I also want to talk about is funding in special schools. If you look at the monies allocated to special schools, you will appreciate that they are not enough. Many of the children with disabilities going to boarding primary schools are being forced to pay a minimum of Kshs18, 000 a year; so that they can be accommodated in schools they are actually supposed to be learning from. Even at the national level, you will find that the allocation for both health and education currently stands at 27 per cent. However, a closer look at it will show that the enrolment rate for primary schools is now 10.2 million, while in secondary school it is 2.1million. If you do corresponding enrolment, you will find that there are 2.3 million missing children in secondary schools. That is explained very well because there are 30,000 in primary schools and 8,000 secondary schools---

The Temporary Deputy Speaker (Hon. Kajwang’): Your time is up, hon. Mwaura.

Let us hear the Member for Rangwe.

Hon. Ogalo: Thank you, hon. Temporary Deputy Speaker. I rise to support the amended Motion.

The Temporary Deputy Speaker (Hon. Kajwang’): Hon. Members, I am trying to follow the request list.

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

The Temporary Deputy Speaker (Hon. Kajwang’): Member for Turkana Central, what is out of order?

Hon. Nakara: Hon. Temporary Deputy Speaker, the way you have carried the balancing is not good. Four people have spoken from the opposite, yet you have not taken even one person from this side.

The Temporary Deputy Speaker (Hon. Kajwang’): You are entering into a very dangerous tunnel. As I have told you, I am following the request list the way it is. From the way you press the request buttons, I cannot coordinate whether they come from my right or left. Therefore, I will follow the request line.

Proceed, hon. Ogalo.

Hon. Ogalo: Thank you, hon. Temporary Deputy Speaker. I hope the time taken will be reflected in---

The Temporary Deputy Speaker (Hon. Kajwang’): It is only one minute. So, do not complain.

Hon. Ogalo: Hon. Temporary Deputy Speaker, I note that the Budget Policy Statement is a document that is supposed to be submitted to this House pursuant to Section 25(2) of the Public Finance Management Act. On page 5 of the Report, the Committee has highlighted the contents of the Budget Policy Statement. I also note that the Committee has concerns on the legal compliance of the Budget Policy Statement, given the manner in which the views of the public and the interest groups were incorporated in the document.

On the issue of public participation, I also note that the Committee has highlighted the fact that there should be a clear monitoring and evaluation of what the Budget Policy Statement states to be the targets of any particular Budget cycle. The Committee notes, on page 6 of their Report; that, it was not possible to evaluate the recommendations or proposals contained in the Budget Policy Statement of 2014. On the issue of enhancement of economic transformation for shared prosperity, I know that despite the fact that Section 117(2) of the Public Finance Management Act requires counties to align their physical strategy papers with the National Development Strategies, there is no mechanism of ensuring that counties align their development strategies to those of the national level.

Hon. Speaker, I do not know what the Budget and Appropriations Committee will propose to this House to ensure that this aspect is addressed in future budgeting processes at the county level. I note that the Budget Policy Statement, 2015 maintains the broad policies and strategies outlined in the Budget Policy Statement, 2014 – which are under the five pillars of this country’s transformation.

The first pillar is creating conducive business environment for employment. The Budget Policy Statement, 2014 indicated targets of maintaining inflation at around 5 per cent and strengthening of the international reserves position to over four and a half months of import cover, and to delivering of low and stable interest and exchange rates. However, the Committee informed this House that there was no clear report on the achievement of these targets. On governance, the Ethics and Anti-Corruption Commission (EACC) was required, as per the Budget Policy Statement, 2014, to develop a Kenya integrity programme. However, the Committee reported to this House that this was not possible as it has been moved to end of May, 2015.

The EACC has been in the media for the wrong reasons. Just a few days ago, the Chairman of the Commission suspended the Deputy Chief Executive Officer (CEO) and two hours later he was reinstated by the CEO. Today, armed police were deployed to Integrity Centre to stop the Deputy CEO from assuming office. If this is the body that is supposed to be used by the Government in achieving the first pillar of our Budget Policy Statement, this House must be very afraid. We must begin to work out measures of ensuring that the EACC delivers on its mandate.

On oversight institutions, the Committee notes – this should be of concern to the House – that the National Treasury, in proposing this Budget Policy Statement, underfunded the Office of the Auditor-General, which is one of the key institutions that are supposed to be providing oversight. Other oversight institutions like the Office of the Controller of Budget and the Public Procurement Oversight Authority (PPOA) also suffer

the same fate. I have been in this House for nearly two years now. Even though Article 228 of the Constitution requires that this House deals with reports from the Controller of Budget on the implementation of the Budget, this is the first time I have heard communication from the Speaker about Half-year Report on implementation of the National Budget emanating from the Controller of Budget.

This is gross oversight of our role, as the National Assembly. This is a matter we have raised time and again in the Committee on Environment and Natural Resources. A lot of money is voted for development projects. Every year, we approve huge sums of money to certain projects but, as a Committee, we do not have mechanism of monitoring the implementation of those projects. That weakness comes from the failure by this House to address itself to Article 228(6) of the Constitution, which requires us to be receiving and debating four-monthly reports from the Controller of Budget.

The second pillar is agricultural transformation and food security. We note that there is no status report on one of the major Jubilee Government projects of irrigating a million acres of land within the Galana/Kulalu area of Kilifi and Tana River counties to ensure food security in the country. There is no report on the implementation of that project. I am not sure whether as of now there is any form of operations going on in that area.

The third pillar is transport, logistics, energy and water for inclusive growth. I want to support the implementation of the Standard Gauge Railway (SGR), which is underway but I would also want to know the implementation status of the Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) project and the airport enhancing gateway to Lake Victoria transport network, especially the upgrading of Kisumu International Airport to international standards.

On access to quality services, the issue of health---

The Temporary Deputy Speaker (Hon. Kajwang'): Hon. Member for Rangwe something has been nagging me. Did you say that as a House we do not receive reports from the Controller of Budget?

Hon. Ogallo: Even if we receive it, this House does not address itself to the Report. There was a time I wrote to the Clerk asking for the Controller of Budget Report and when it would be discussed by departmental committees. Recently the substantive Speaker directed the Clerks to prioritise reports from the Controller of Budget in departmental committees to ensure that, that active oversight happens.

The Temporary Deputy Speaker (Hon. Kajwang'): Well, when we receive documents and when they are laid in the House, you know where to get them. It is an administrative matter where they are found. I thought I heard you as---

Hon. Ogallo: I stand guided.

The Temporary Deputy Speaker (Hon. Kajwang'): No. This is very important. When you pass a verdict on the National Assembly that we are not doing what Section 228(6) requires us to do, it is something which I need to investigate.

Hon. Ogallo: Indeed, I have to state it here once more. I have addressed this matter to the Clerk's Office asking how the House should be treating the Report from the Controller of Budget.

The Temporary Deputy Speaker (Hon. Kajwang'): No, you just go to the Table Office and pick the Report, analyse it and do what you must do as a Member of the National Assembly.

Hon. Ogalo: It is not an individual effort. That Report should be channeled to the departmental committees for each committee to go through for each and every sector. That is the only way it will be effective.

The Temporary Deputy Speaker (Hon. Kajwang'): All right. I will give you two minutes because of that discussion. Put on your intervention button.

Hon. Ogalo: I want to talk about the three areas that I oversight directly as a member of the Departmental Committee on Environment and Natural Resources and a member of the Departmental Committee on Lands. I agree with the Budget and Appropriations Committee for allocating a further Kshs 4.2 billion to the National Lands Commission (NLC) and a further Kshs 1.2 billion to the Ministry of Lands to purchase survey equipment to enable rapid development of settlement schemes in Kenya. I however differ completely with the Budget and Appropriations Committee for not engaging us more on their decisions to scrap all proposed increments in the Ministry of Environment, Water and Natural Resources which is Water and Regional Development Authority. Those two deserved more resources. We are in the sector and we know what happens. An example is the Lake Basin Development Authority (LBDA) that will have a contractor on site with no money to continue with the development of a multi-billion plaza that had been programmed from the last financial year.

The mechanism of handling the Budget Policy Statement (BPS) and the ceilings should be much more consultative than a one off affair where the Committee that has intimate knowledge of the sector makes proposals and the Budget and Appropriations Committee which does not know the intricacies of that sector makes unilateral decisions. There should be a more consultative way of dealing with these ceilings. Some of these things require more indepth knowledge. I also want to fault the place of BPS in the Budget cycle. These things that we are discussing today ought to have been discussed last year in November so that we can have more time to deal with them and interact more with them before we pass the ceilings.

Finally, I would like to thank the Budget and Appropriations Committee for maintaining the ceilings proposed for the State Department of Mining.

Thank you

The Temporary Deputy Speaker (Hon. Kajwang'): All right. Fair enough. Let us have the Member for Emurua Dikirr.

Hon. Kipyegon : Thank you. I wish also to make a serious contribution towards this Motion. I wish to say on the outset that I support, especially after the several amendments which have been made. Initially we had issues with the way the money was allocated. I think we are satisfied but not so much but at least we have had a few amendments here and there. I must say that I support.

I commend the Committee for the great work they have been doing and the much effort that they have put. One thing that I must say is that the contention that we had was in the way the Committee had placed the Kshs3 billion. The major issue that we had is that we understand that---

The Temporary Deputy Speaker (Hon. Kajwang'): Hon. Member, you may have not been in the Chamber but Member for Rarieda debated this matter at length. Keep to things which we have not heard so that you are relevant.

Hon. Kipyegon: Thank you for your guidance. I would like to say that I wish to address myself to many issues. We had in our Constitution an allocation for the Equalisation Fund. This was meant to address problems which are found in some areas which had been marginalised for a long time. These are also areas which the Committee should look at especially areas like Narok where we have problems. I speak of an issue which we have in our constituencies. There are some constituencies in this country which do not even have a health centre or a hospital. What they only have are dispensaries and these are areas which the Committee need to address their minds to. This is so that we do not only look at the issues of roads but we also look at the fundamental needs that people have.

I must thank the Committee for the placement of the Economic Stimulus Programme (ESP). I must also agree with the Members on the fact that although the allocation of Kshs1 billion to Constituencies Development Fund (CDF) is not enough, it will go a long way to improve the projects that our committees in the constituencies are doing. The CDF has been doing a very good job and I must thank the Members for fighting for the Kshs1 billion to be allocated in that particular area.

We also had issues with the older generation in our society. There was some money which was allocated which was catering for about 46, 000 orphans and elderly people. I must thank the Committee for adding the number of beneficiaries from 46,000 to about 100,000 people. These are the people who should have been earning pensions had they been working for the Government. The problem is that three quarters of our elderly people have never been in employment. Therefore, they do not have any other means of earning their living and the methods by which they have been earning their living is not something that can earn them pension. It is very important that we add the numbers so that those who were not included in the list which was released last year as beneficiaries would be increased.

I thank the Committee on the question of Uwezo Fund. Although this Fund has not been felt, it has given our youth and women something to be busy with. As we speak now, young people and women in our constituencies are busy running up and down with their businesses. At least they have something to look at. They have businesses here and there to deal with. We will need to increase this money. I believe the Kshs1.4 billion which was added here will go a long way to help these people but I would wish this House to relook at the allocation of Uwezo Fund so that we can make these people busy.

The youth in the society are the people who run the economy of this country. We need to have them working and doing something serious. We cannot allow these people to be idle in the society as these are people who can turn into criminals. We want to give them something to do. When we talk about Uwezo Fund we need to make it a scheme, that there should be modern ways where we can train these people seriously. Therefore, Uwezo Fund would do a very serious job.

We have also been having a problem with the free secondary education, especially the day schools. There is some money which was allocated to them, but which to date has not been seriously felt. We talk about free secondary education, but there are

some day secondary schools which still charge a lot of money. We need to liaise with the Ministry of Education to ensure that the money that we give that Ministry is used in reducing the amount of fees which students pay in the day secondary schools. In my constituency I have created more than ten day secondary schools. We have very serious problems in areas that are poverty-stricken. These are areas where parents cannot afford to pay fees for their students to go to boarding schools. We should use the day schools to rescue students and secure education for them. It is good that we remember them when dealing with the budget or when we are allocating funds.

There is also the question of status. One of the Members had insinuated that, perhaps, this was something to entice people. For these people to also have a very serious oversight in their counties--- As we speak, there is a very serious discrepancy between what the Governors are doing in the counties and what is supposed to be done. These are people who are supposed to be mobile. Senators are supposed to be mobile. They are supposed to go round to the counties. They are not supposed to sit and wait until information, a complaint or a petition is brought before them. These are people who are supposed to be attending sittings in the county assemblies. They need to look seriously at what is happening in the counties. The allocation we have given them is not enough. We need to re-think about it. These are very serious Members of the society and they will help us to change the face of the counties. As we speak, most of the counties are spending money as if it is money from their pockets. Most Governors right now are running counties like their own kiosks. We need Senators to seriously stamp their feet and work on this particular matter.

I would like to talk about the money which was allocated to the Auditor-General. The allocation to the Office of the Auditor-General is a welcome idea because I remember we have had problems also in the counties. The Governors and also the MCAs get allocated money by the county assembly. There is a serious misappropriation of funds in those particular levels. The Auditor-General, last time, was actually called to answer questions, especially on the Narok County issue. The Committee wanted to know how far that office had gone with their investigations and the only reply they heard was that they did not have enough funds to do serious investigations and audit the issues facing Narok County. Now that we have placed Kshs1 billion in their hands these people will not have an excuse other than to bring us results.

Lastly, the Judicial Service Commission (JSC) is a very vital organ in the dispensation of justice in this country. We need to give them teeth and support so that when they are dispensing justice they do so without bias. I would also like to say that when we are allocating this money to JSC, they must also understand that there is what we call separation of powers. Matters of administration and expenditure are well within their mandate, but matters of development should have been placed under the Ministry in charge of infrastructure.

The Temporary Deputy Speaker (Hon. Kajwang'): Member for Narok West. Members, I appreciate that speaking after your colleagues is a very hard thing because a lot of things which you needed to say could have been said by your colleagues. Do what is honourable and leave those things which have been said and only say the ones which are new so that we make headway. We only have one hour for this debate and we need to end it before we rise. Try to see how you can do that.

Hon. ole Ntutu: Thank you, hon. Temporary Deputy Speaker for giving me this opportunity to contribute on this Motion. I rise to support this Motion as further amended twice. I agree with the Committee on how they allocated the Kshs3 billion which was the source of all these protests. I am not going into details because the Chairman did a good job in explaining how we divided the money. I belong to that Committee and we have done a very good job given the fact that you all know that the money available for distribution to various Government agencies is always not enough. This year alone the Treasury told us that we expect to have about Kshs1.34 trillion to divide between the two levels of Government.

I must say that the Committee did a very good job. We consulted largely a lot of Ministries and agencies. I must say that there are certain Ministries that did a very good job before they came to us. One of those Ministries is the Ministry of Education, Science and Technology. This Ministry looked at the issues that are affecting our country. In particular, free primary education has been enhanced. This time round the Ministry did a good job. The Ministry also brought forth a new item that we did not have last year, the free day secondary school. Those of us who come from pastoralist areas know that this will go a long way in helping the poor students. Parents of these children are unable to afford fees charged in the boarding schools.

The idea of constructing new teacher training institutions is a good one. There are 60 teacher training institutions that are operational now. Adding 70 more is a good thing. As a Committee we thought that as soon as these 60 are completed then we should equip them so that they do not become white elephants. We need to use these institutes so that our people benefit, particularly those living in the rural areas. I am happy to say that we are talking with the Ministry of Education, Science and Technology to make sure that we equip these training institutes.

Hon. Temporary Deputy Speaker, with regard to the Ministry of Labour, there is the national safety net programme which handles older persons, orphans, and persons with disabilities. The number of beneficiaries has risen from 46,000 to 100,000 and it is a good thing. Whenever I go to my constituency these elderly people normally ask where their money is. I am very sure that all of you are asked these questions every now and then. The Ministry has addressed this issue effectively. It is not enough, but it is better than what we had last year.

Hon. Temporary Deputy Speaker, the other issue that we are very concerned about as a Committee is this issue of ceiling. We understand that Treasury does not have enough money, but I was concerned with the money that was given to the Ministry of Environment, Water and Natural Resources. Last year, we passed the Wildlife Management Act which says that all those people who are killed by animals should be compensated according to the Act. However, up to now, we still have so many people being killed by wildlife but the Government is not compensating them.

That is why we told the Ministry of Environment, Water and Natural Resources to increase certain amounts of money so that we can compensate these communities, otherwise they would not see the benefit of having these wild animals. These wild animals help our economy particularly the tourism sector. I was a little bit concerned because the money that we have suggested as the Budget and Appropriations Committee to be increased to Kshs3 billion is not captured in this Budget Policy Statement (BPS). I

felt that there is no need of having an Act of Parliament which is not implemented. What is the need of having a Wildlife Management Act and it is not implemented? I felt that it was not a good thing, but we are working on it.

The other issues that we looked at are the three independent institutions that really need to be supported in terms of funding. My colleague from Emurua Dikirr talked about the problem we had with our Narok County Government. When we went to the Auditor-General and asked him to look at this issue, he told us that he does not have the capacity or money to go around the whole national park and audit it. Personally, I felt offended. What is the need of having this office? This time round I am happy because we have allocated enough funds. They should not have an excuse of not going there to audit all Government agencies, including our own Constituencies Development Fund (CDF). This time round it will be good.

The other institution is the Independent Policing Oversight Authority (IPOA). We have also given it more funds. Out of this Kshs3 billion we awarded it some money so that they can do their oversight work. The other one is for the Senators. I do not need to belabour this issue. We have all agreed that we must give our Senators some money so that they can do what they are supposed to do. To entrench devolution, monitoring and evaluation are key components. Without this, there is no need of sending all this amount of money to counties and yet it is going to be misused. This allocation will go a long way in helping our counties to continue improving on their services and to take care of the money that we give them.

With those few remarks, hon. Temporary Deputy Speaker, I thank you. I support this Motion.

The Temporary Deputy Speaker (Hon. Kajwang’): All right. The Member for Suba, as a high-ranking Member of this House, set the pace in how one can summarise comments. Avoid repetitions and be relevant so that we can save time. Let us go.

Hon. Ng’ongo: Thank you, hon. Temporary Deputy Speaker. I do not know where that is coming from. Anyway, thank you. I get you.

The Temporary Deputy Speaker (Hon. Kajwang’): This is a compliment because you are a high-ranking Member. You should be able to let new Members know how they can summarise, be brief and precise to the point.

Hon. Ng’ongo: Okay. I appreciate it. First of all, it is important to understand why this document became necessary. The Constitution only provides that budget estimates need to be tabled in Parliament two months before the end of each financial year. However, we saw it fit in the last Parliament to come up with a document that would set the pace for the budget process. We felt at that time, and I think it is still valid, that getting budget estimates leaves us with very little room to engage constructively with the National Treasury in terms of priorities and going forward on the ceilings. So, this document is a follow-up to the Budget Review and Outlook Paper (BROP) which assesses and addresses the performance of the previous financial year. The BPS sets the pace for the next financial year by assessing the state of the economy and looking at how much is likely to be raised in terms of revenue and the suggested priority areas where the money should go to in terms of budget ceilings for each and every Ministry. That is why yesterday I was trying to say that if you want to do anything then you must provide it in the BPS, otherwise it becomes very tricky and inflexible going forward.

However, when the Government comes up with various pillars, and the Government has set five pillars to drive the development, one would imagine that the Jubilee Administration looked at their manifesto. The pillars that they come up with should be in line with realising their manifesto. The question I want to put to the Jubilee Administration is: Have you looked at your manifesto and aligned it to the budget priorities? I say this because when you talk of creating a conducive business environment for employment creation, have you assessed whether the strategies that you are putting in place would realise more jobs for Kenyans? That is a reality that we must confront. Without creating jobs for the youth of this country, we are sitting on a time bomb. I do not see that deliberate effort by the Government to come up with methods of creating a better business environment for job creation. If that was the priority of the Government, by this time the Companies Act and other relevant Acts which are supposed to make the business environment better would have been debated in this House.

The Jubilee Administration must start living with the fact that we have 48 governments in this country and not one. Why do I say that? There is a BPS which we are debating today. However, there are also County Fiscal Strategy Papers of the 47 counties. If there is no forum to synchronise and harmonise the various development strategies in our 47 county governments together with that of the national Government, we are running 48 parallel governments. That is not very good for this country. It is high time the national Government, through the National Treasury, used various organs provided like the Intergovernmental Budget and Economic Council (IBEC), the Summit and other fora to deal with how to harmonise the 48 governments that we have in this country. If that is not done, we will come up with very good figures about what we intend to realise in terms of economic growth but we will not succeed.

Infrastructure is mentioned in this document as one of those areas that the Jubilee Administration is focusing on for economic growth. However, when I look at the infrastructure talked about, it is just a continuation of the infrastructural development of the Grand Coalition Government or the National Alliance Rainbow Coalition (NARC) Government. Even the so-called Standard Gauge Railway (SGR) was a creation of the Grand Coalition Government. The work that was done in the road sector by the Grand Coalition Government is not comparable to what the Jubilee Government has done so far. In fact, one would be excused to think that there is no major road construction in this country. I do not see it. I have heard of an annuity programme. There is no clear roadmap. We just hear public statements being made by the Jubilee Administration. The President and the Deputy President talk about it. It is high time that the Deputy President started disengaging from the President to supervise the Ministries to ensure that what the Jubilee Administration talks about is implemented. The annuity programme is talked about but there is no implementation so far. We are almost in the third year of this administration. They need to be a little bit more careful.

Let me talk about the agricultural sector. I do not want to repeat what my colleagues have said. The dream of realising one million acres under irrigation will not be realised at the pace at which we are going.

That is why I was asking whether the Jubilee Administration looks at its manifesto. It may be fodder for us in the Opposition. It may be very good for us in the

Opposition, but I am a Kenyan and I am interested in my people being secure in terms of food security.

Therefore, it would have been very good for me to wait for the five years of the Jubilee Administration to end and I start asking them where the one million acres on irrigation are. I do not want to do that because then, I would be an irresponsible citizen of this country. I want to talk to the Jubilee Administration today. There is corruption in the irrigation programme. The so-called Galana Irrigation Programme is not going as per the plan. There is corruption there. Under the programme of having 10,000 acres under irrigation per year, for how many years will it take us to reach the 1 million acres at the rate of 10,000 acres per year? It will take us about 100 years. Who would want the Jubilee Administration to be in power for 100 years? Certainly not the Member for Suba.

On the issue of governance and oversight, which have been canvassed by my colleagues about the Office of the Auditor-General, the Controller of Budget, the Treasury and the Public Procurement Oversight Authority, I want to specifically talk about corruption. The Government needs to talk about corruption and walk the talk. The President talked about corruption in his own office; the Office of the President. As I speak, there are no arrests. What we have had are some transfers. We want people to be arrested. The presidency is a very senior position in this country. When the President tells us that there is corruption in his office, the following day, we expect people being dragged to prison. We want to see action.

What is happening in the Ethics and Anti-Corruption Commission is a clear case of people who do not want “chickengate” saga to be investigated. We know it. Someone is hell bent to finish this Commission completely because it is probably suspected to have started following some sacred cows in this country. We need to tell the Jubilee Administration that this diversionary tactics will not help. The President continuous to sit in his Cabinet with Chirchir, someone who has been accused extensively. Even the people who bribed him have been jailed in the UK courts. This President is not serious about corruption. We need to say this and repeat it to him so that he can listen: Please, President Uhuru Muigai Kenyatta, together with your Deputy William Samoei Ruto, wake up. You cannot continue sitting with corrupt individuals in your Cabinet and you go out there and tell us that going forward, if you are found corrupt, you will be arrested. Who will take you seriously? Until I see Chirchir out of this Government; Hassan out of the IEBC, I will know---

The Temporary Deputy Speaker (Hon. Kajwang’): You know, Members of the National Assembly, we will start implementing this thing about relevance. How do the people whose names you have mentioned fit into the Budget Policy Statement? Member for Mandera West!

Hon. (Eng.) Mahamud: Thank you, hon. Temporary Deputy Speaker. My colleague has talked like the Chairman of the ODM. He has shown that he is the Chairman of the ODM. Let me contribute to the Budget Policy Statement, 2015, as tabled by the Committee. The BPS is prepared in line with the Public Finance Management Act, Section 25(2) and it is supposed to contain broad policy issues which address the state of the economy as it is today. It is also supposed to look at the financial outlook and propose ceilings for various programmes that the Government is supposed to undertake.

In this Assembly, we are dwelling a lot on figures at this point, which is not necessary. Figures will be necessary when we come to the Estimates later in the year. Now, we are supposed to critic the policies that have been put forward by the National Treasury as regards the Budget for the 2015/2016 Financial Year.

By looking at that, we can compare with the policies that are in place, in accordance with the Jubilee Manifesto; and Vision 2030, which is the development blueprint for this Government. Vision 2030 has been talked about for long. Unfortunately, the Committee has not been able to critically look at the pillars that have been put forward. I wonder whether they are actually consistent with the policies put in place from 2013. More worrying is that there is no coherence between what happens in the county governments and in the national Government. The Committee concedes that the requirement for the County Strategic Fiscal Paper to be in tandem with the Budget Policy Statement is totally lacking. In fact, that is why we see a lot of haphazard development in the counties. There is no coherence between what is happening in the national Government and at the county level in terms of policy. The issue of financing, enhancing economic growth and economic transformation for shared prosperity is for the whole country. It is not for some county governments and the national Government to do whatever they want.

The Budget Policy Statement sets forth about five pillars. The issue of expenditure management is very important. Year in, year out; the Government has talked about expenditure management. It has been difficult to rationalise public expenditure. The county governments are yet to start using the Integrated Financial Management Information System (IFMIS) yet their expenditure is not being properly rationalised.

On agriculture, we have talked about feeding ourselves. A nation that cannot feed itself cannot be called a nation. It is high time we put in place policies and programmes that can enhance food production in this country. A greater part of this country depends on famine relief. The sums of monies used for buying relief food are monumental. We need to be serious about our agriculture policies. They must be funded. We must go for irrigated agriculture and not rain-fed agriculture. Rain-fed agriculture is dependent on rain, which is not forthcoming because of the vagaries of climate today.

Infrastructure and transport is one of the pillars that have been talked about so much in this country. This sector should be developed to a level where it can support our economy to grow by double-digit. I am glad that a lot is being done in the sector but the progress is very slow. Some of my colleagues have said that the infrastructural development projects going on today were initiated by the former Grand Coalition Government. It is true that development programmes are planned by respective regimes, and are not implemented overnight. I am happy something is being done. However, when we come to the Estimates, again, we must make sure that those projects are properly funded. There should be clarity as to whether we are doing the railway and the roads or improving our air and maritime transport.

I also want to talk about access to quality services. In terms of education, a lot is being done. Unfortunately, something happened in our region in December – the threat of *Al Shabaab*. Teaching has been affected in the region I come from. Today, there are no teachers in that region. During the Budget Estimates discussions, we will ask the Teachers Service Commission (TSC) to come up with a programme of ensuring that we

have teachers, so that children in northern Kenya region can continue to enjoy their right to education.

People in the counties today talk of a lot of corruption and financial impropriety being perpetrated by the authorities at that level. The problem is that our oversight institutions, like the Ethics and Anti-Corruption Commission, the Auditor-General and the Senate, are being underfunded. We are not giving sufficient support to our oversight authorities.

I think we dismiss them and it is time we strengthened these institutions so that they can do their constitutional mandate properly.

Hon. Temporary Deputy Speaker, I see the resolutions of the Senate which are attached to this programme. Quite a number of them are very nice. In fact, there is one of them which in item (v) says that future Budget Policy Statements (BPSs) be brought in December so that both Houses can scrutinize and make recommendations that will guide the Budget preparation processes. That is what we are supposed to do. Even in this BPS, the recommendations that came from our Committee are not supposed to give us figures here and there and tell us to allocate these figures here and there but to give us guidelines that will help them to prepare Estimates that are going to be due in April.

There is the issue of the recommendation that they have made here about devolving functions to the counties. In fact, part 18 says that all devolved functions together with resources tied to them in health and agriculture currently being performed by the national Government be immediately sent to counties even in the absence of a clear framework under Article 187 of the Constitution. I understand the first part but I do not know why that is there. If there is no framework then it will just be haphazard. I think whatever we are doing should be within the law and also in a framework that can be very clear and understood.

Hon. Temporary Deputy Speaker, year in, year out, we do our Budget but parts of this country still remain marginalised. To what extent does this BPS contribute to an equitable society in the future? To what extent are we perpetuating the same marginalisation? I say this in as far as the national Government is concerned. I know we are lucky to have a lot of money in the counties although there is a lot of corruption. But, for national Government's projects likes roads - I must now be selfish and talk about the road between Garissa to Mandera and we hear and know that something will be done - it is high time we removed inequalities in this nation by bringing policies that address all the issues and develop an equitable society where every Kenyan is equal and is able to access the resources in this country. We do not like dealing with the same things over again in the same region. We must extend this.

With those few remarks I think it is high time we took this very seriously as the National Assembly and looked at the issues which are raised in the Public Finance Management Act about assessing the current state. Are we able to assess the current state? Do we have the information to assess? With regard to the financial outlook with respect to current revenues, are the revenues which are projected realistic? Are the expenditures proper? What is the borrowing level instead of talking about figures? Let us look at the proposed expenditure ceilings although, at least, we are looking at this one. The other one is the total resources allocated to individual programmes and policies. In future let us be looking at those broad policies at this stage so that when we get to the

Budget Estimates in April, we can look at the figures properly. If we get the policies right, the figures will be okay.

With those few remarks I beg to support, hon. Temporary Deputy Speaker.

Hon. Nakara: Thank you, hon. Temporary Deputy Speaker, for giving me an opportunity to support this Motion.

First of all, we want to thank the Budget and Appropriations Committee for reconsidering the issues that were raised by the House yesterday. If we go by the same spirit that this Committee has shown, we will have unity in this House and we will serve together as hon. Members of this House.

Hon. Temporary Deputy Speaker, there was a bit of tension in this House yesterday but the Chairman of the Budget and Appropriations Committee took an initiative of inviting all hon. Members who had some amendments or proposals to appear before him. Today we have seen the benefits and the fruits of negotiating and doing things in the right way.

I want to talk about the budget, given to the oversight institutions.

Hon. Temporary Deputy Speaker, we want to appreciate the Committee for allocating money to oversight institutions in this country. There is too much corruption, too much nepotism and too much tribalism in this country. When we give money to oversight institutions, we expect these institutions to do their job. We expect them to audit institutions both at the national and county governments to make sure that the money we give them is used well so that the public can have confidence in them.

It is not good to give a lot of money to oversight institutions yet they are not performing. Some of them are being corrupted to change reports, not to investigate people or to take them to jail. We want Parliament to make sure that the money we have given to the oversight institutions does something. Kenyans expect them to do something. Kenyans want to see them performing their duties without compromising. That is why we are supporting the Committee for giving good money to those institutions.

The Parliamentary Service Commission (PSC) has been also given money; over Kshs4 billion. If there is another place we need to do audit, it is the PSC. We need to audit the staff in this institution. There is a lot of corruption and tribalism in this institution. Now that we have given you the money, we want to make sure that Members are auditing the PSC so that we see the face of Kenya represented in this institution. We are one country and we expect every institution to represent the face of Kenya. As we audit other institutions, we must also audit our own institution to make sure that we are an example and we are demonstrating our leadership skills and our fairness.

The Budget of this country has gone up. We need to reduce some commissions. In fact, for some of them, time has elapsed. They need to pack and go home. There is no way we will continue adding more time to some institutions yet productivity is low. They promised to complete their assignment within a time frame but up to now some of them still need more time. The more we give them time, the more they consume a lot of money and the more many Kenyans suffer. The money that we would have used to put in the CDF to help some lives is given to those commissions. You can be shocked at the amounts. For example, at the Judiciary they earn Kshs80,000 per sitting in allowances yet there are some Kenyans who are suffering. They have no water, no classes and no infrastructure in their places. We need to see that some of those commissions that have

not reached their target pack and go home so that we remain with those that are relevant or we make them temporary or part-time commissions which just meet when there is need to meet.

Finally, I want to thank the Committee for adding some little money to the CDF kitty. Nationally, if there is money that has impacted the lives of people in this country, it is the CDF. When we give this money, it does equal development across the country; the 290 constituencies representing the face of this country. So when we take the money to the lowest level, you are assured that every ward, every sub-location and every village will get something through the CDF. It also improves the lives of people. We have built several dispensaries so that we can reduce the death of the people. We want the Budget and Appropriations Committee next time to think how they can make this kitty better. At the constituency level, are performing the duties of the national Government by supporting primary education, secondary education, building chiefs' offices and building police stations. This work is supposed to be done by the national Government. We are doing that work through CDF because county governments do not do that work.

If at all we need to be relevant as the national Government, we must do something in our constituencies so that the Government can be felt. Otherwise, if this kitty is removed, then the presence of the national Government will not be felt at the grassroots level.

Finally, we appreciate the little money that the Centres of Excellence have been given. You remember yesterday we were talking about ranking. You cannot rank or treat all schools equally because some pupils still go to school under the trees. There are schools with no infrastructure such as laboratories. I wish they will provide this money every year so that we improve those Centres of Excellence. Consequently, we shall have equal learning environment for all students in this country and also improve educational infrastructure across the country.

I urge the Committee to allocate this money to Centres of Excellence every year so that we continue improving them to reach the level of Nairobi and Mombasa. We can say somebody in Turkana County can compete with our students in Nairobi because Centres of Excellence are being funded and have received all the necessary assistance from the national Government.

I support the Motion as was amended by hon. Wamunyinyi. Thank you.

The Temporary Deputy Speaker (Hon. Kajwang'): Member for Kwanza.

Hon. F. K. Wanyonyi: Thank you, hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Kajwang'): Members, even when we are still proceeding, you must be agonising with yourselves how you want us to move this forward. You will have a second bite on this when the printed Estimates are before the House and you will make comments. However, I am sure you have watches and you are seeing yourselves that we also have lots of legislative agenda to attend to. You need to be proactive and guide the Chairman on how you want this to be done.

Hon. F. K. Wanyonyi: Hon. Temporary Deputy Speaker, I want to take this opportunity to support the Motion as amended. I also want to thank the Speaker for having listened to the concerns of the House and changed the mood. Therefore, we have people now benefiting from the change of event.

First and foremost, in this Budget Policy Statement, I see that we have to look at the cash transfer which again has been taken care of. It must be scaled up because out there you will find that there is a lot of pressure from the old and disabled. We have had problems. I have problems in Kwanza with regard to the allocation. Therefore, we have to scale up the money. When it comes to giving out the figures, I hope we will have some amendments proposing the scaling up of those figures. This is so that disadvantaged old men and the disabled persons benefit. This Budget Policy Statement does not reflect growth. We need to look at the figures so that the old men out there plus the disabled get some money from this.

Secondly, in the education sector, we have the free primary education and the free day secondary education coming to about Kshs12 billion. Here, I do not see the Higher Education Loans Board (HELB). You have capitalised on the free primary education and the free day secondary education, but there are no figures for HELB. I have had problems in my constituency with students going for higher education in colleges and universities. I am unable to assist them. When they come to Nairobi, they come back to me and say that they cannot get the money. The bursary funds are not enough. I do not see anything here on HELB. Members, we need to get concerned at this initial stage, so that we can cater for that. I can see Kshs1.17 million for bursaries, but nothing on HELB. I have had a lot of pressure in my constituency because these students are not catered for.

I quite agree with the policy of leasing and transferring of vehicles from the Treasury to the Ministry of Interior and Co-ordination of National Government. It is important. Police stations cannot get to the Treasury, but it is easier for their concerns to be raised within their Ministry. It is good for the leasing to be done by the Ministry of Interior and Co-ordination of National Government. I have had cases of Officers Commanding Police Divisions (OCPDs) asking us to help with funds to fuel the vehicles. In fact, some of these vehicles are not well maintained. Some of us are from insecurity prone areas and we need to have these vehicles well-maintained. In this guideline, the vehicles should be transferred.

I get amused because much as the vehicles have been leased out, some of these stations do not have Authority to Incur Expenditure (AIE). So, even incurring expenses is a problem. Let us do things right because insecurity in this country is a big problem, particularly for me being at the border of Kenya with Uganda and bordering the nomad areas of the Pokots and the Turkanas where we had a lot of problems because of cattle rustling. In the middle of night, you need services from the police station and they tell you that they do not have fuel for the simple reason that they are not AIE holders. That is again a problem. All in all, I agree with this Policy Statement. We have seen the vehicles being outsourced and transferred from the National Treasury to the Ministry of Interior and Co-ordination of National Government.

On security matters, in the early part of last year, we passed a Motion---

The Temporary Deputy Chairman (Hon. Kajwang’): Just a minute, Member for Kwanza. Just hold on. Member for Thika Town, what is out of order?

Hon. (Ms.) A.W. Ng’ang’a: On a point of order, hon. Temporary Deputy Speaker. Having looked at the time and the fact that the Mover has to reply, is it in order for me to request that the Mover be called upon to reply before time is out? We only have ten minutes to go. The Mover is here and ready to reply. He needs to be given time. Is it

okay if I request that the Mover be called upon to reply? He needs to be given ample time to reply.

Hon. F. K. Wanyonyi: Hon. Temporary Deputy Speaker, she is eating into my time. You have made your point!

Hon. (Ms.) A.W. Ng'ang'a: Hon. Temporary Deputy Speaker, you have not replied to me.

The Temporary Deputy Chairman (Hon. Kajwang'): Order, Member for Kwanza! Can you resume your seat? No two Members can be on their feet at the same time.

Hon. (Ms.) A.W. Ng'ang'a: That is correct, hon. Temporary Deputy Speaker. Thank you for protecting me. He is raising very important points and all of us wanted to contribute, but because there is no time and the Mover needs to reply, is it in order for me to request that the Mover be called upon to reply now?

The Temporary Deputy Speaker (Hon. Kajwang'): Thank you very much, I will come to you after the Member finishes.

Hon. Members, you are leaders. You are in this Assembly for as long as you are elected. For you to say that this is your chance to speak yet your business is to promote the legislative agenda of this House, is not proper. The Budget Policy Statement is a document which needs to have finality, so that we can have the Printed Estimates brought to this House. We have debated it; we are now getting to two weeks. Even if I were to adjourn this debate to next week, there will be more Members who will still want to say something about it. The Government must move on. We must also conclude our legislative agenda. At the end of the day, presiding officers do not want to burden you but you need to be proactive.

Member for Kwanza, since we have chewed sometime, can you take two minutes and conclude?

Hon. F.K. Wanyonyi: Hon. Temporary Deputy Speaker, I hope that *utasambaza* a little more time to me.

The Temporary Deputy Speaker (Hon. Kajwang'): No, do not look for those hours. They do not fall to you as a matter of right.

Hon. F.K. Wanyonyi: Hon. Temporary Deputy Speaker, I am normally very brief in what I say because I am very precise.

Hon. Temporary Deputy Speaker, there is no provision for Kenya Police Reservists (KPR) in this document. We know there is a shortage of police officers. The UN standard policeman to citizen ratio is one to 450. We passed a Motion in this House and resolved that the KPRs should be paid. We do not have that provision in this document but I hope that when we come to the figures, we will provide for the KPRs, who will also be entitled to insurance cover.

Coming back to the issue of cash transfer, hon. Members will agree with me that people work voluntarily. We should provide money for these people to be paid. I have not seen any provision for that purpose. I believe that we will take care of people who volunteer to work for us in cash transfers. They are complaining that they are not being paid.

With those few remarks, I beg to support the Motion, as amended.

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

The Temporary Deputy Speaker (Hon. Kajwang’): Member for Lugari, what is out of order?

Hon. Angatia: Hon. Temporary Deputy Speaker, I would like to alert you that we do not have the requisite quorum for us to continue transacting business.

The Temporary Deputy Speaker (Hon. Kajwang’): The issue of quorum having been raised, I order that the Quorum Bell be rung for 10 minutes.

(The Division Bell was rung)

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Kajwang’): Order! The time being 6.30 p.m. and there being no quorum to transact the business of this House, I hereby order that the proceedings be adjourned until Tuesday, 17th March 2015 at 2.30 p.m. It is so ordered.

The House rose at 6.30 p.m.