

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 12th August, 2009

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

List of members of the National Youth Service volunteers showing the numbers included by district.

*(By the Assistant Minister, Ministry
of State for Defence (Mr. Musila))*

QUESTIONS BY PRIVATE NOTICE

CANCELLATION OF YATTA RANCHING SOCIETY
LAND LEASE BY KITUI COUNTY COUNCIL

Mr. Nyamai: Mr. Speaker, Sir, I beg to ask the Deputy Prime Minister and Minister for Local Government the following Question by Private Notice.

(a) Could the Deputy Prime Minister and Minister for Local Government explain under which circumstances the lease of land reference number LR 11802 belonging to B2 Yatta Ranching Co-operative Society Limited was cancelled by the Kitui County Council?

(b) What measures is he taking to ensure that the land (LR 11802) is not illegally acquired?

(c) What steps is the Ministry also taking to ensure that persons who have illegally invaded Katoteni Ranch (LR 12010) are evicted?

The Assistant Minister, Office of the Deputy Prime Minister and Minister for Local Government (Mr. Nguyai): Mr. Speaker, Sir, I beg to reply.

(a) The council, through her Education Housing Social Services Special Committee meeting held on 20th March, 2009, vide minute number 12,2009 as adopted by the special full council meeting held on the same day under minute 6,2009, resolved to terminate the said lease for non-compliance with special conditions given by the council and a notice of termination was issued to the ranch vide the council letter reference number C19814 dated 5th June, 2009. The lease to the land reference number LR 11802

belonging to B2 Yatta Ranching Co-operative society has not as yet been cancelled by the County Council of Kitui.

(b) The land reference number LR 11802 has a registered 99 year lease from the 1st March, 1965 which expires in 2064. The council has issued a notice of termination of the lease LR 11802. In the event that the termination of the lease is effected, the land shall revert to the council as trust land and any subsequent adjudication and allocation of the land thereof shall be in accordance with the law.

(c) There is a case pending in court regarding Katoteni Ranch LR 12010. On 21st February, 2008 an order was issued by the High Court at Machakos that the *status quo* remains until the hearing of the case set for 6th September, 2009. Given the court orders, the Ministry cannot therefore, evict the squatters.

Mr. Nyamai: Mr. Speaker, Sir, first, I would like to thank the Assistant Minister for that answer. However, the answer is not satisfactory. I want to point out to the Assistant Minister that he is actually misleading the House. Is he in order to mislead the House because he is saying that the lease has not been terminated yet I have a letter from the Clerk, Kitui County Council dated 30th June, 2009 terminating the lease? It is here and I lay it on the Table of the House.

Secondly, on the issue of Katoteni Ranch, he is saying that he cannot discuss this matter yet his Ministry has written to the Kitui County Council and given them authority to go ahead and sub-divide the land. Is he in order to mislead this House? I lay the papers on the Table of the House.

(Mr. Nyamai laid the document on the Table)

Mr. Nguyai: Mr. Speaker, Sir, the letter that I have here is dated 15th June, 2009. I just want to confirm if it is the same letter. This letter is reference number: Termination of Lease LR 1102. If you look at the contents of the letter, it gives notice in which compliance is meant to be done and once it is done the termination is not effected. So, there are conditions that have been put in place. Those conditions are special and require the land to be kept fenced and secured and a minimum number of livestock to be kept. There are other conditions which include paying of annual rent of Kshs528,000.

Mr. Speaker: Mr. Assistant Minister, I find all these letters authentic in the sense that they are all dated and duly signed. So, you will have to peruse them and if the hon. Member has further supplementary questions then you should be prepared to respond to them.

Mr. Nguyai: Most obliged, Mr. Speaker, Sir.

Mr. Speaker: Anybody else interested?

Mr. Nyamai, apparently it is your baby and nobody else is interested. Carry on!

Mr. Nyamai: Thank you, Mr. Speaker for your observation. Indeed this is my baby because it is likely to turn out to be the "Mau Forest" of the larger Ukambani. The Assistant Minister has also indicated that he cannot evict the squatters who are on that land. As it is now more squatters are still getting into the land. So, what is the Ministry doing to ensure that there are no more squatters getting into this land because it is causing a lot of conflict? People have lost lives and women have been raped as the squatters fight.

Mr. Nguyai: Mr. Speaker, Sir, as I indicated earlier, the hearing starts on 6th October, 2009. What we can do is ensure that our enforcement officers within the council will ensure that no more squatters get into the land. I undertake to ensure that.

Thank you.

OCCUPATION OF NADAPAL BORDER POINT
BY SUDANESE SOLDIERS

Dr. Eseli: Mr. Speaker, Sir, I beg to ask the Minister of State for Defence, the following Question by Private Notice.

- (a) Could the Minister confirm that Sudanese soldiers are currently occupying parts of Kenya territory and could he explain the circumstances under which they recently stopped the Minister for Immigration and Registration of Persons from accessing the Kenyan border with Sudan?
- (b) What urgent measures is he taking to ensure that the Sudanese soldiers vacate Nadapal border point which is one kilometre into Kenyan territory?

The Assistant Minister, Ministry of State for Defence (Mr. Musila): Mr. Speaker, Sir, as you can see, this is a cross-cutting Question involving not only the Ministry of State for Defence but also other Ministries; the Ministry of Foreign Affairs, the Office of the President and Ministry of State for Provincial Administration and Internal Security. Therefore, I have already discussed with the Questioner. I am seeking the indulgence of the House to answer this Question on Tuesday next week as we are continuing with some consultations with the Ministries I have mentioned.

Mr. Speaker: Tuesday next week?

The Assistance Minister, Ministry of State for Defence (Mr. Musila): Yes, Mr. Speaker, Sir.

Mr. Speaker: Dr. Eseli, what is your response?

Dr. Eseli: It is okay, Mr. Speaker, Sir.

Mr. Speaker: Then it is so directed that the Question will be on the Order Paper on Tuesday next week.

(Question deferred)

BREAKDOWN OF PILOT BOAT AT
MOMBASA PORT

Mr. Chanzu: Mr. Speaker, Sir, I beg to ask the Minister for Transport the following Question by Private Notice.

- (a) What caused the breakdown of the pilot boat at the Port of Mombasa on Monday 27th July, 2009, that resulted in the failure of ships to berth?
- (b) Could he state the number of vessels that delayed berthing because of the failure?
- (c) How much revenue has the Government lost as a result of the failure?
- (d) What measures has the Kenya Ports Authority (KPA) taken to ensure that all the pilot boats are serviceable at all times and that similar incidents do not recur?

Mr. Speaker: Minister for Transport not here? We will leave that Question in abeyance and revert to it a little later on.

ORAL ANSWERS TO QUESTIONS

*Question No.307*SHOOTING OF MRS. NOMUGIEN LOLOSEMU
BY SECURITY OFFICER

Mr. Letimalo asked the Minister of State for Provincial Administration and Internal Security:-

- (a) the circumstances under which a security officer shot and injured a 78-year old woman, Mrs. Nomugien Lololemu, at Archer's Post Trading Centre on 6th June, 2009; and,
- (b) the identity of the officer responsible for the shooting and whether the officer has been arrested for the crime.

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, I beg to reply.

(a) On 6th June, 2009, at about 5.00 p.m. a joint security operation with a team from Eastern Province was taking place around Shaba National Game Reserve when they were ambushed by bandits armed with sophisticated weapons forcing the security team to engage in a fierce shoot out with the bandits. It was during this shoot out that a woman by the name Nomugien Lololemu, who was within the vicinity, was hit by a stray bullet. Police officers were also injured with one succumbing to the injuries sustained through the bullet.

(b) Preliminary investigations by the police indicate that AP Corporal Joseph Mutuku, the deceased officer would have been the one who shot and injured Nomugien Lololemu.

Mr. Letimalo: Mr. Speaker, Sir, this is really interesting and laughable because this woman was shot at Archer's Post. The security operation was being carried out in Shaba National Reserve in Isiolo District, which is over 30 kilometres from Archers Post. How could a stray bullet, 30 kilometres away hit a woman in Archer's Post?

Secondly---

Mr. Speaker: One question at a time!

Mr. Ojode: Mr. Speaker, Sir, we have been having these kind of problems within Samburu on a weekly basis. Maybe the hon. Questioner is talking of another occasion but for this particular one, the shootout was next to the game reserve where the lady was also herding cattle.

Mr. Letimalo: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Mr. Letimalo!

Mr. Ojode: Mr. Speaker, Sir, I have checked with the people on the ground, my police officers, and they mentioned that the lady was within the vicinity of the bandits versus the police officers. That is the information I have from the ground.

Mr. Letimalo: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to mislead this House and say that the 78-year old lady was herding cattle at such late hours whereas she was in Archer's Post Trading Centre? Is he in order?

Mr. Ojode: Mr. Speaker, Sir, the report on the ground is that the lady was at the vicinity where the bandits were exchanging fire with the police officers. That is what is on the ground!

Mr. Gabbow: Mr. Speaker, Sir, a 78-year-old would not be herding cattle. Maybe she would be fishing. Secondly, the lady was shot at Archer's Post, 30 kilometres away from where the animals were. Is he telling us that this lady was part of the group that shot at the police? Was she part of the banditry? That is very important for us.

Mr. Ojode: Mr. Speaker, Sir, you can recall that I mentioned that it was a stray bullet. If there was contradicting information like the one they want to portray, they would have given me evidence that the shootout was at Archer's Post as opposed to next to the game reserve. Unfortunately, they do not have any evidence to show that it was at Archers Post. But I have evidence that it was at the vicinity of the game reserve. So, the report which I am having – the Government report – is that there was a shootout by the bandits next to the game reserve and, unfortunately, there was a stray bullet which caught up with this old lady.

Mr. Njuguna: Mr. Speaker, Sir, this is a very sad incident that has taken place in that area. Emanating from that shooting, I would ask the Assistant Minister to tell the House which humanitarian assistance the Ministry has accorded to the critically injured woman.

(Applause)

Mr. Ojode: Mr. Speaker, Sir, that is a very good question. When the Government is asked for any humanitarian aid, we are willing to give it and I will be in the forefront to allow any kind of aid to this particular lady.

Mr. Letimalo: Mr. Speaker, Sir, considering that the Assistant Minister is admitting that the old lady was hit by the police--- I do not think it is possible for a dead person because he is going to say that it is Corporal Mutuku, who was himself killed, who could have shot that woman. Now that he has admitted, is he going to compensate her? Is the Government going to compensate that woman because she has been shot by the Government forces?

Mr. Ojode: Mr. Speaker, Sir, I have said two things: One, preliminary investigations show that the stray bullet came from the deceased. I have also said that if there is any request made by the family members for any humanitarian aid, I am willing to give that aid.

Mr. Olago: On a point of order, Mr. Speaker, Sir. The Assistant Minister seems to imply that where the Government does wrong, then they should wait to assist on humanitarian grounds. I think under the Government Proceedings Act, it is upon the Government to compensate the victims and not to be asked to compensate.

(Applause)

Mr. Ojode: Mr. Speaker, Sir, I thought Mr. Olago was a lawyer. If you need to compensate anybody, it is the court which will determine the amount of money to be given or anything else which needs to be given and not the Minister.

(Applause)

Question No.181

CONSTRUCTION OF POLICE STATION IN DANDORA

Mr. Speaker: Mr. Waititu not here? The Question is dropped!

(Question dropped)

Question No.158

UPGRADING OF INFRASTRUCTURE
IN EASTLEIGH ESTATE

Mr. Speaker: Mr. Bahari not here? The Question's dropped!

(Question dropped)

Question No.270

CLOSURE OF KIRINYAGA CO-OPERATIVE
UNION BANK

Mr. Speaker: Ms. Karua not here?

Mr. Chanzu: On a point of order, Mr. Speaker, Sir. I asked a Question earlier on and the Minister was not here to answer---

Mr. Speaker: Order, Mr. Chanzu! I directed that we would return to the Question a little later on. The session is not yet over

Mr. Chanzu: Mr. Speaker, Sir, I am just referring to what you have said about these two Questions here. The Questioners are not here and you are dropping the Questions!

Mr. Speaker: Yes, that is the discretion of the Chair and it is in accordance with the Standing Orders!

Mr. Chanzu: Mr. Speaker, Sir, but what are you doing to the Minister who was absent when I asked the Question?

(Laughter)

Mr. Speaker: Order, Mr. Chanzu! Next Question, Ms. Karua. She is not here so the Question is dropped! We want to go back to Question by Mr. Chanzu!

(Question dropped)

QUESTION BY PRIVATE NOTICE

BREAKDOWN OF PILOT BOAT AT MOMBASA PORT

Mr. Chanzu: Mr. Speaker, Sir, I do not have a written answer. However, I beg to ask the Minister for Transport, the following Question by Private Notice.

- (a) What caused the breakdown of the pilot boat at the port of Mombasa on Monday 27th July, 2009, that resulted in the failure of ships to berth?
- (b) Could he state the number of vessels that delayed berthing because of the failure?
- (c) How much revenue has the Government lost as a result of the failure?
- (d) What measures has the Kenya Ports Authority (KPA) taken to ensure that all the pilot boats are serviceable at all times and that similar incidents do not recur?

Mr. Speaker: Where is the Minister for Transport?

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, I undertake to inform the Minister to answer this question by Wednesday afternoon.

Mr. Mungatana: Mr. Speaker, Sir, I am referring to the Questions that have been dropped. I wanted to raise one issue that could help the House---

Mr. Speaker: Order, Mr. Mungatana!

Mr. Mungatana: Mr. Speaker, Sir, most of us---

Mr. Speaker: Order, Mr. Mungatana! The procedure that this House adopts and the practice that we have used is that you attend to a matter and raise issues pertaining to that matter at the point where the business is being transacted and not long after we have moved to another area. I am afraid you cannot.

Mr. Chanzu's Question will be deferred to Tuesday next week. The aspect of what happens to the Minister, I will deal with tomorrow.

(Question deferred)

Mr. Olago: On a point of order, Mr. Speaker Sir. The Assistant Minister, Ministry of State for Defence, Mr. Musila, has laid on the Table a document setting out details of the recruitment from National Youth Service volunteers, which I wish to interrogate. The question was not exhausted last week.

Mr. Speaker: Fair enough but the Question will have to appear on the Order Paper before you can interrogate it further. So I will direct that that Question---

The Assistant Minister, Ministry of State for Defence (Mr. Musila): Mr. Speaker, Sir, I seek your indulgence to comment on this matter while I am on this side of the House. The Question was exhausted. It was finished, it was not deferred. The only requirement the chair gave to me was to lay the list on the Table, which I have already done. So, the HANSARD will prove me right that the Question was exhausted. It was not deferred.

Mr. Speaker: Fair enough. That is a valid observation but the Chair will require time to ascertain the factual position from the HANSARD and give appropriate directions on Tuesday next week.

Mr. Lekuton: On a point of order, Mr. Speaker, Sir. I really admire Dr. Machage's clothing this afternoon. Is it in order or is it the tradition of this House?

Hon. Members: Where is he?

(Laughter)

The Assistant Minister for Foreign Affairs (Mr. Onyonka): Mr. Speaker, Sir, that attire is reasonably African and authentic.

Mr. Speaker: Dr. Machage, could you kindly be upstanding so that the House is able to see how you are dressed?

(Dr. Machage stood up in his place)

Yes, you may resume your seat.

The Assistant Minister for Roads (Dr. Machage): Thank you, Mr. Speaker!

Mr. Speaker: Hon. Members, I am satisfied that Dr. Machage is properly dressed. Indeed, that is in accordance with the ruling that I made earlier on. The impression I have, hon. Members, and I am entitled to this opinion is that Dr Machage is dressed in a Kaunda suit that is long-sleeved and it accords with the earlier ruling that I have made on this matter.

(Mr. Olago stood up in his place)

Mr. Speaker: Order, Mr. Olago! I know you are an interested party but the circumstances are different.

Hon Members at the Bar may want to step in.

*(Several hon. Members entered
the Chamber)*

Order, hon. Members! Before we move to the next Order, I have the following communication to make.

COMMUNICATION FROM THE CHAIR

NON-RELEASE OF REPORTS OF COMMISSIONS OF INQUIRY

Mr. Speaker: Hon. Members, you may recall that on Wednesday 29th July, 2009, the Chair delivered a ruling on the failure by Mr. Ojode to honour an undertaking he had earlier made to the House to release reports of certain commissions of inquiry.

Ms. Karua thereafter sought the guidance of the Chair on the ruling claiming that there was an apparent contradiction between that ruling and an earlier ruling made by the Chair on an undertaking by the then Minister for Finance in relation to the Privatization Act, 2005. In the Privatization Act matter, the Minister for Finance gave an undertaking to the House that he would gazette the commencement date of the Act. When he defaulted, the Chair, in enforcing the undertaking, ruled that the Minister would not be permitted to transact any business in the House until he had discharged the undertaking.

Hon. Members, in a communication from the Chair on 12th September, 2007, the Chair indicated that this House had granted the Minister for Finance the power to set a

commencement date for the Privatization Act; a power which the House itself could have exercised, if it so wished. The undertaking by the Minister to appoint a commencement date for the Act was therefore based on something the Minister was both lawfully entitled to do and in fact legally required to do. As the Minister had the power and the obligation to discharge the undertaking, the Chair held the Minister to account for that undertaking.

Hon. Members, that case is clearly distinguishable from the matter in which Mr. Ojode gave an undertaking which in law he was not obliged nor compelled to do. As stated in the ruling on 29th July, 2009, no public interest can be served in holding the Minister to his undertaking in a situation in which it is not legally possible for him to discharge the undertaking. The undertakings given by the two Ministers were therefore informed by two distinctly different situations, one in which the Minister was seized of the necessary powers to honour the undertaking and the other in which the Assistant Minister lacked the requisite powers to do so.

In the upshot therefore, hon. Members, there is no contradiction between the two rulings given by the Chair on the respective undertakings given by the two Ministers. Where the law confers a power or imposes an obligation on a Minister to perform some function or discharge some duty, and the Minister gives an undertaking to exercise that power or to perform that duty, the Chair will not hesitate to hold the Minister to the undertaking.

Ministers of Government, as I have said before, are duty bound to properly consider the law on any matter and its implications before giving any undertaking before this House.

Thank you.

Hon. Members, it is now 3.00 p.m. and, according to our Standing Orders and, indeed, the business as appearing on the Order Paper today, we should move on to the Prime Minister's Time.

The Prime Minister (Mr. Raila): Thank you, Mr. Speaker, Sir. Last week, at the request of hon. Thuo, I gave an undertaking that I will be addressing the issue of road safety today. I have consulted with hon. Thuo and we have agreed that, because the drought crisis is so crucial, I will deal with that issue next week.

PRIME MINISTER'S TIME

PRIME MINISTERIAL STATEMENT

DROUGHT EMERGENCY INTERVENTIONS

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, I want to make a Statement today on the emergency interventions that the Government will carry out to overcome the serious water, food and power crisis. We, as a Government, will act rapidly and decisively in mobilizing all arms of the Government.

Mr. Speaker, Sir, on 22nd July, 2009, I alerted this House and the nation at large about the threat of food, energy and water insecurity. Those challenges are so immense that the Government implores all hon. Members and fellow citizens who are fortunate enough to be spared the extreme hardship, to join us in this cause. I also appeal to the

international community to enhance its assistance to this nation. Together, we can overcome the immediate challenges, and then find lasting solutions.

Mr. Speaker, Sir, the nation is in a serious water, food and energy crisis. In the Arid and Semi-Arid Lands (ASALs), our fellow citizens have to trek for long distances to water points; some of them for between 20, 30 or even 80 kilometers. Thirst, combined with hunger, is taking a heavy toll on the lives and health of our people. About 70 to 90 per cent of our livestock are out of the normal grazing zones scavenging for pasture in any place, including in the game parks and urban areas. There is, therefore, a danger of increased wildlife-human conflict, massive environmental degradation and inter-community tension. We have already lost 130 livestock.

Mr. Speaker, Sir, this year, the national maize harvest will be, at best, 20 million bags. Local production will, therefore, fall short of our national consumption by, at least, 13 million bags. The power supply situation is equally grim. Hydro-power generation has already been cut by 46 per cent and our total capacity has been reduced by about 900 megawatts. That falls short of the peak demand by 200 megawatts. We, thus, have no choice but to introduce power rationing.

Mr. Speaker, Sir, preliminary assessments by the Kenya Food Security Steering Group show that large areas now face high risk of humanitarian emergency. Therefore, the immediate focus of the Government interventions is to save areas of high risks for humanitarian emergencies. The areas cover the following 11 districts: Marsabit, which means the larger Marsabit District; Samburu, Isiolo, Mwingi, Kitui, Tana River, Turkana, Laikipia, Mandera and Garissa. We will mount special operations in each of those districts. That will involve deployment of transport and other equipment of the armed forces, the National Youth Service and the Administration Police to deliver food, water and medicines. The deployment will be for over one to three months. Within that period, the immediate danger of starvation and other humanitarian disasters will be removed, food will be stored in sufficient quantities in convenient locations and adequate water sources will be secured. The Ministry of State for Special Programmes has already delivered food to the depots in each of those districts. It will be distributed to the affected areas as soon as the transport equipment arrives. The Ministry of Water and Irrigation is now procuring a large number of water tanks and bladders and will, together with the Ministry of State for Development of Northern Kenya and other Arid Areas, drill, repair and maintain boreholes. President Kibaki and I will launch the special operations on Monday, 17th August, 2009, in Marsabit and Moyale districts.

Mr. Speaker, Sir, assistance to the other affected areas will commence concurrently, utilizing more actively the existing intervention mechanisms of Government Ministries. In rural areas, about 7.5 million people are in need of food aid. Of those, 3.8 people will be assisted under the Emergency Operations Programme (EMOP). About 2 million people who are in the areas traditionally not prone to drought will be catered for by the Government's own food relief programme.

Finally, Mr. Speaker, Sir, 1.5 million children and 150,000 Internally Displaced Persons (IDPs) will continue to be cared for under the respective programmes. In addition, there are 2.5 million food-insecure Kenyans in the urban areas. To assist them, *Kazi kwa Vijana* will employ 300,000 youth in the next six months and the Ministry of Gender, Children and Social Development will introduce a pilot programme of a targeted

food subsidy scheme this September. That scheme will be scaled up to cover 200,000 by March, 2010. That is next year.

Mr. Speaker, Sir, the Government will also ensure that adequate supply of maize will continue to be available in the country. Duty waiver on maize imports will be extended to June, 2010 to facilitate importation by the private sector. More importantly, to enhance food production in the coming short rains season and beyond, the Ministry of Agriculture will expand subsidized sales and free distribution of fertilizers and seeds. A large quantity of relief seeds will be distributed to the famine stricken areas. In addition, about 40,000 acres of irrigated food production will be put into use by September, 2009. Further, the Ministry will promote seed multiplication of traditional crops which perform well even with little moisture. A number of other longer term interventions are also underway.

Mr. Speaker, Sir, with regard to water supply in Nairobi City, 20 boreholes will be drilled. A total of 20 bowsers will be deployed and in addition, 1,000 water tanks will be installed in Nairobi. All that will be done within the next three months. The Ministry of Water and Irrigation will purchase about 80 million litres of water per day from private borehole owners.

This should supply water to 800,000 people within the City of Nairobi. In other areas across the country, 200 boreholes will be drilled. Already 30 water bowsers have been deployed and 5,000 water tanks installed within three months. These interventions will supply water to 5.7 million people and 4.4 million livestock.

Mr. Speaker, Sir, the most effective means to assist our pastoralists is to scale up and expedite emergency off take of livestock. To this end, the Government will assist the Kenya Meat Commission (KMC) to set up a revolving fund for its purchase of livestock. The Government will also fully subsidize the cost of transporting livestock to the KMC. To further support emergency off take of livestock, the Government will assist the Agricultural Finance Corporation (AFC) to enhance its capacity to extend loans to private ranchers to finance their purchases of livestock for fattening and subsequent sales. The Government will also offer supplementary animal feeds and medicine to save livestock in ill health.

Turning to the power situation, we expect that power shortages will ease in mid-October. By that time, new generation capacity of 222 megawatts will be commissioned. That is enough to cover the loss of hydro-generation. The Government will provide additional tariff subsidy in order to minimize any increase in cost of power to industries and consumers. At the same time, the Government will introduce energy-saving measures. For example, during the months of August and September, we will distribute 1.2 million energy-saving bulbs free of charge in exchange of regular bulbs currently in use. This will save some 50 megawatts with an estimated cost of Kshs300 million. In addition, energy-saving devices will be installed in major Government buildings. The total cost of the drought crisis interventions is estimated at Kshs24 billion. This will be financed by contingencies and other resources in the 2009/2010 Budget, some borrowing and relatively small cuts of the 2009/2010 Budget of all Ministries and agencies.

Mr. Speaker, Sir, a drought crisis response centre has been established in the Office of the Prime Minister to co-ordinate the Government's drought crisis intervention. Its work will be guided by a national steering committee of Ministers chaired by the

Prime Minister. The Permanent Secretary, Ministry of State for Special Programmes will serve as the co-ordinator.

In conclusion, I appeal once again to our business community in Kenya and development partners to come forward and join the Government in extending relief that our fellow citizens so dearly deserve.

Thank you, Mr. Speaker, Sir.

(Applause)

Mr. Speaker: We will allow the hon. Member for North Horr the first bite at the cherry because he had raised this matter previously as a Question.

Mr. Chachu: Mr. Speaker, Sir, I thank the Prime Minister for addressing this critical problem facing over 10 million Kenyans in northern Kenya and other parts of the country affected by the calamity.

A cardinal rule for any drought emergency or humanitarian intervention is to do the right thing at the right time. It is also being effective, efficient and flexible. These interventions, as good as they might be or are, will come too late since they will be implemented by Government Ministries and machineries. As a result our animals will die as our people continue to suffer. Could the Prime Minister assure this House and Kenyans that this programme will be implemented effectively within one week's time, if not less, so that Kenyans who are suffering are assisted accordingly?

Mr. Speaker, Sir, I also thank the Prime Minister for selecting northern Kenya, that is, Marsabit and Moyale for the launch of this programme. As a Member of Parliament from that larger region, I appreciate and thank him.

Mr. Mwangi: Mr. Speaker, Sir, I would like the Prime Minister to clarify whether he has left out Kajiado or not? This is because the herders have driven their animals all the way to Thika. What criterion was used to leave Kajiado out of this programme? The Maasai are all over Central Province.

Mr. Wamalwa: Thank you, Mr. Speaker, Sir. In ordinary insecurity, we rely on our soldiers to secure our borders, cities and towns. However, in food insecurity, we rely on our farmers. Last year, this House passed a Motion that the AFC loans owed by farmers should be written-off so that because of the post-election violence, farmers could be empowered to produce more. In view of the double tragedy; that is the post-election violence experienced last year and drought and famine being experienced this year, what has the Government done to implement that Motion to ensure that the AFC loans are written-off? This will empower farmers to produce more and ensure there is national food security in this nation.

Mr. Mwadeghu: Mr. Speaker, Sir, while I appreciate the Prime Minister's response, I am wondering why he has left out Taita Taveta District where all the Maasai and Somali cows converge at one borehole. Right now, there is a human conflict in the area. We do not want to see the Taita killing the Maasai and the Somali. Could the Prime Minister do something about it?

Mr. James Maina Kamau: Mr. Speaker, Sir, this is not the first time we are having drought in this country. We have had long spells of drought. After long droughts, we know that we will have long rains. What has the Government done to make sure that

we do not have this problem in this country? Countries like China and the USA do not have this problem and yet they have a large population.

Mr. ole Lankas: Mr. Speaker, Sir, the Prime Minister has omitted districts which are very critical, for example, Kajiado and Narok districts, in the list that he has just read. As I stand here, people have lost animals in thousands. That is an area I believe requires a lot of attention.

Mr. Speaker: Mr. Prime Minister, you will make your responses depending on how you utilise the 11 minutes you have. After that, we can do another round of three.

Mr. Affey: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Mr. Affey! The Rt. Hon. Prime Minister, please respond?

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, the hon. Member for North Horr has said that the Government's intervention is too late. Initially, we were expecting good rains, but since this is nature, we could not control it. The rains came too late hence our intervention this time. However, I assure hon. Members that the Government is determined to address this problem. That is why we have mobilized all the resources at our disposal. We will use the military, the National Youth Service (NYS) personnel and all other auxiliary forces that we have in this operation. As I have said, we will launch this operation on Monday, next week in Marsabit and Moyale. However, operations will simultaneously start on that day all over the country.

As I am talking, the movement is on. As I have mentioned, already, the Ministry of State for Special Programmes has food in stores in most of those districts.

Mr. Speaker, Sir, Mr. Mwangi asked "Why Kajiado", because Maasai are all over. We have got a committee of experts that has categorised these districts. I do not want the hon. Member to think that we have neglected other parts of the country. This is the categorisation. The very pink ones on that list are the 11, but there are others down there.

Under the second category, we have got Makueni, Machakos, West Pokot, Moyale, Kajiado, Narok, Ijara, Baringo, Kwale, *et cetera*. In the second one, we have got Koibatek, Maragwa, Taita Taveta and Malindi. Then there is Mbeere, Tharaka, Meru North, Kilifi and Lamu.

However, the first lot I have mentioned are the first 11, but we are not neglecting any part of the country. We are going to carry out operations in all these other districts as well.

Mr. Speaker, Sir, Mr. Wamalwa has talked about the AFC loans. Yes, that issue has been raised. It is a matter that is still under consideration. I am not able, at this point in time, to give an undertaking that we are going to write off the AFC loans, but I know that the matter is under consideration by the Government.

I think I have answered the question raised by Mr. Mwadeghu as well as that raised by Mr. ole Lankas.

On hon. James Kamau's question, yes, long-term solutions are required to this problem. That is why we have begun the process of re-introducing irrigation. As I have mentioned in my Statement, after next week, we are going to re-launch the irrigation scheme in Bura. We are also reviving Pekera, Mwea and Ahero irrigation schemes.

We are also going to start new irrigation schemes in the country. So, that is the long-term solution.

The other one is also to conserve our environment. I addressed that matter extensively last week.

Mr. Speaker: Hon. Members, we will do another round of five. We will begin with Amb. Affey.

Mr. Affey: Mr. Speaker, Sir, I want to thank the Prime Minister for his Statement, and also remind him that Wajir District, which he might have left out in his assessment, is a critical district for consideration.

My question is on the aspect of the Kenya Meat Commission (KMC), about which the Prime Minister has said that they are going to supplement transport costs, yet the animals are too weak to travel from the northern Kenya all the way to Athi River. Why do they not consider doing the off-take on the ground, purchase the livestock and use them as food aid, instead of transporting it all the way to Athi River. It will be useless to transport it. By the time it reaches Athi River, it will be dead.

Mr. Okemo: Mr. Speaker, Sir, the Prime Minister went into a lot of detail as far as the schemes that they intend to carry out are concerned. When it came to the financing of the same, there was a very vague brief statement about where the money will be found.

Hon. Members: Yes, and how much!

Mr. Okemo: The amount was Kshs24 billion. I think the Prime Minister talked of contingency, reallocations here and there and, maybe, some Budget cuts.

The effectiveness of this programme will actually depend on its implementation and the implementation will depend on the availability of resources. What I got from the Prime Minister, I do not think the Government seems to have firm plans as to where these resources are actually going to come from.

If that is the case, the likely thing is to go the route that the Government normally goes when they have no resources – it borrows. When that happens, it has got its own consequences. We may be trying to tackle an emergency, which is a genuine emergency, but in the process, we might be creating a bigger emergency that will have overall economic growth implications.

Mr. Abdirahman: Mr. Speaker, Sir, this is not the first time we have been promised that the Government is going to have elaborate strategies to deal with this serious issue of drought. I hope that this time round, they will walk the talk. My main item is actually on the livestock off-take through the KMC.

Hon. Prime Minister, this has not been very useful. You allocated Kshs500 million last time, but I do not really understand where it went. My first advice would be to channel these funds through the Ministry of State for the Development of Northern Kenya and Other Arid Lands, and the Arid Lands Resource Management Project that is based in all those districts. I am sure that will be more effective.

Mr. Ogindo: Mr. Speaker, Sir, I want to thank the Prime Minister for the elaborate intervention.

I would want the Prime Minister to clarify why the Government finds it wise to give out free energy-saving bulbs, while in actual sense it is possible for any ordinary person to go and buy energy-saving bulbs. In any case, the bulbs have a finite life. Who will replace them after they burn out?

Mr. Konchella: Mr. Speaker, Sir, I want to thank the people of Wundanyi, through their Member of Parliament, for hosting a lot of members of the Maasai community in their constituency. Indeed, I would like to thank the people of Tanzania and the people of Central Province, because we cannot afford to host the Maasai community in Nairobi.

Could the Office of the Prime Minister direct the Ministry of Water and Irrigation to drill two boreholes in Wundanyi, so that there can be no human-wildlife conflict? There is only one borehole in that area. This particular Member of Parliament is supporting more than 10,000 head of cattle.

Mr. Ngugi: Mr. Speaker, Sir, I want to thank the Prime Minister for his Statement. In his Statement, he said that the Ministry of Agriculture is going to distribute seeds and fertilizer to drought-stricken areas. What is the point of distributing seeds and fertilizer to drought-stricken areas, instead of distributing the same to areas that are not drought-stricken like Kinangop, so that we can produce and feed the drought-stricken areas?

Also, I would have expected to hear from the Prime Minister in respect of trees like blue gum, which have caused drought; there should be a Government decision to uproot them immediately.

Mr. C. Kilonzo: Mr. Speaker, Sir, as a suggestion and request to the Government, is it possible to release CDF funds for the current financial year by the end of this month, so that much of these funds can be used in labour intensive works, including construction of roads and water pans?

Mr. Speaker: Finally, Dr. Khalwale!

Dr. Khalwale: Thank you, Mr. Speaker, Sir. We, at the Public Accounts Committee (PAC), Mr. Prime Minister, are interested to know about the issue of energy saving bulbs; how much they are going to cost the Government, what was the tendering process and who won the tender.

Mr. Speaker: Fair enough! The Rt. Hon. Prime Minister, you may respond.

Mr. Letimalo: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it, Mr. Letimalo?

Mr. Letimalo: Mr. Speaker, Sir, there is a clarification I wish to seek.

Mr. Speaker: Order! Order, Mr. Letimalo!

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, to answer the question raised by Dr. Khalwale, which is also the same question asked by the Member of Parliament for Rangwe, we will distribute energy-saving bulbs free of charge, because they are part of carbon trading. Therefore, we have paid nothing for them. That is why we are actually passing over the benefit to the consumer.

On the release of CDF funds, there is no reason that cannot be done immediately.

Mr. Speaker, Sir, Mr. Affey asked about the reason we want to transport the livestock to KMC instead of slaughtering them on site. There are some animals which are so emaciated and cannot endure the trip to the KMC. Those ones will be slaughtered on site. We are only subsidizing the transport for those other animals which are strong enough to be transported to the KMC slaughterhouse in Athi River.

Mr. Abdirahman complained that the KMC system did not work so efficiently and suggested that we use the Ministry of State for Development of Northern Kenya and Other Arid Lands instead. The Ministry of State for Development of Northern Kenya and other Arid Lands does not have slaughterhouses. In the end, these animals must end up at the processing facility which is only available at the KMC. We have learnt from experience, last time that there were problems and we are trying to plug those loopholes, so that this system works more efficiently.

Mr. Speaker, Sir, Mr. Konchella talked about boreholes. We are talking about an emergency. We are not limiting the drilling of boreholes to the numbers that I have talked about here. As soon as these ones are done, we will continue to drill as many boreholes as we possibly can during this period of emergency.

I agree with Mr. Ngugi that blue gums consume a lot of water. That matter is being dealt with by the relevant Ministries. Mr. Okemo raised the very important question of the contingency and reallocations. These interventions are estimated to cost about Kshs24 billion. This will be financed as follows: -

- (a) Resources of the concerned Ministries in the 2009/2010 Budget, that is Kshs13.1 billion.
- (b) Contingencies in the 2009/2010 Budget, which is Kshs3.2 billion.
- (c) Borrowing Kshs3 billion under a guarantee of Kshs0.5 billion. That is a guarantee to the KMC.

This leaves a funding gap of Kshs5.1 billion. It is proposed that this gap be met by a cross-the-board cuts of the 2009/2010 Budget of all Ministries and agencies.

We have actually taken care to ensure that funding is available for this programme.

Mr. Abdirahman: On a point of order, Mr. Speaker, Sir. I thank the Prime Minister for his very good response. When I raised the issue of money being channeled to the KMC, I said that has not been very useful. When it is channeled to the Arid Lands Resource Management Project or the Ministry of State for Development of Northern Kenya and Other Arid Lands, livestock can be purchased directly from farmers or pastoralists. They can in turn hand over to the KMC for processing either for local consumption or even outside. So, I wanted the Prime Minister to somehow address the issue of disbursement because there has been no clear way of dealing with this matter.

Mr. Speaker: Where does the point of order arise from the response of the Prime Minister? From the statement you have made, what is out of order?

Mr. Abdirahman: Mr. Speaker, Sir, the Prime Minister has not understood our bone of contention. Is he in order not to---

Mr. Speaker: Order, Mr. Abdirahman! The only way you could feel aggrieved is if the Prime Minister has not answered your question. If he has answered and your opinion is different, then it becomes a matter of argument.

Mr. Abdirahman: Mr. Speaker, Sir, I do not intend to argue, but my question has not been addressed adequately.

Mr. Speaker: Has it been answered or not?

Mr. Abdirahman: It has been answered, but not adequately.

Mr. Speaker: If it has been answered, then that is not a valid point of order.

What is it Mr. Ngugi?

Mr. Ngugi: Mr. Speaker, Sir, the Prime Minister answered my second question about blue gums. However, he has not answered my other question about giving fertilizers and seeds to drought stricken areas instead of to areas that can grow food and feed these other areas.

Mr. Speaker: Fair enough! I agree that the Rt. Hon. Prime Minister has not answered that part. Even then, you should have asked just one question.

Prime Minister, proceed now that it has been asked.

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, we are distributing fertilizers all over the country. I also mentioned that we are also giving fertilizers to drought stricken areas. We believe that it will rain in those areas. That is the reason we need to distribute seeds there, as much as we also distribute seeds to areas where there have been rains in the past. I think it would be unfair to condemn those areas just because it did not rain there this year.

To satisfy Mr. Abdirahman, the Ministry of State for Development of Northern Kenya and Other Arid Lands does not have the manpower. The Ministry of Livestock Development is also involved. We are trying to tighten the loopholes that were there, so that this time round, the system works more efficiently.

Dr. Khalwale: Mr. Speaker, Sir, I raised the issue of the energy saving bulbs and how much that project will cost. While answering, the Prime Minister has told us about the carbon points exchange. I have no problem with that. Could he tell us how much they will cost and also tell hon. Members how we earned the carbon points given that Kenya hardly has any green forest worth speaking about? How many points do we have today?

Mr. Speaker: Order, Rt. Hon. Prime Minister! If that question was asked previously and you did not respond to it, then you may respond. If it was not asked previously, I want to hear what your reaction is before I give direction.

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, that question was not asked previously. The question was how much it cost us and who won the tender. I know the usual Kenyan thing that somebody has eaten somewhere. No, we were given for free. Carbon trading is a very involving issue. I do not think we have got the time to go into it right now.

(Dr. Nuh stood up in his place)

Mr. Speaker: What is it Dr. Nuh? If it is not a point of order, then I am afraid we have come to the end of this Statement.

Mr. Letimalo: On a point of order, Mr. Speaker, Sir. We still have some genuine concerns that we want the Prime Minister to respond to. We beg your indulgence.

Mr. Speaker: We have some rules that we live within. We did indicate that under normal circumstances, and there is a ruling on this, clarifications sought from the Rt. Hon. Prime Minister when he issues a Statement will be five. We did the first five clarifications. I exercised discretion and opened the floor for a further five clarifications. That is much more than we can do at any given time. I am afraid, Mr. Letimalo we must live within the rules.

Mr. Bahari: On a point of order, Mr. Speaker, Sir. Granted that this is an emergency and a lot of circulars and everything will be rolled out in terms of implementation; given that a lot of hon. Members here have shown interest in seeking for clarifications, will I be in order to request the Prime Minister to convene a meeting of Members of Parliament, so that they can ask as many questions as possible in order to improve the effectiveness of the implementations? The previous one of Kshs500 million and above, was a complete failure.

Mr. Speaker: That is a reasonable proposal and request!
Rt. Hon. Prime Minister, do you want to consider a *Kamukunji* at which hon. Members can fully ventilate?

The Prime Minister (Mr. Raila): Sure, Mr. Speaker, Sir. Certainly this is a very important subject and I know that hon. Members also have ideas which can help enrich Government policies and strategies on this matter. I am, therefore, willing to convene a *Kamukunji* with Members sometimes next week.

(Applause)

Mr. Speaker: Fair enough! That being the position, if the Rt. Hon. Prime Minister will liaise with the Speaker's Office, we will grant a Speaker's *Kamukunji* to address this matter.

Dr. Khalwale: On a point of order, Mr. Speaker, Sir. The official business of this House is not transacted through *Kamukunjis*. Therefore, I would like to seek the indulgence of the Chair that since it is now quite obvious that this matter requires more time, instead of going to a *Kamukunji* which is not binding in any way, you rule that the matter be deferred so that we pursue it again next week to the satisfaction of the interest of Kenyans.

Mr. Speaker: Order, Dr. Khalwale! You know it; the Chair certainly cannot do that. This matter has been interrogated, in my opinion, adequately! Going by our practice established and, indeed, in consonance with our procedures, I am afraid we have granted it adequate time in so far as Statements are concerned. However, there is a way of reopening this matter if you comply with the Standing Orders. There are provisions that you can invoke and this matter can be revisited in a different form, but still in this House. That should rest the matter!

Next Order!

COMMITTEE OF SUPPLY

*(Order for Committee read
being the Eighth Allotted Day)*

MOTION

THAT THE SPEAKER DO NOW LEAVE THE CHAIR

Vote 60 – Ministry of Industrialization

The Minister for Industrialization (Mr. Kosgey): Mr. Speaker, Sir, I beg to move:-

THAT, the Speaker do now leave the Chair.

Mr. Speaker: Hon. Members, note that we will have to continue the business of the House until 9.41 p.m. Mr. Minister, please, proceed!

The Minister for Industrialization (Mr. Kosgey): Mr. Speaker, Sir, as envisaged in Kenya's Vision 2030, under the economic pillar, manufacturing is one of the key sectors of the economy or economic development of this country that is expected to play a very key role in moving this country forward and making it a prosperous country.

Mr. Speaker, Sir, it is stated in the Order Paper that this is the Ministry of State for Industrialization. However, I would like to state that this is the Ministry of Industrialization.

The Ministry has a mandate to formulate industrial development policies and strategies. It is specifically responsible for the following:-

- (a) National industrialization policy,
- (b) Industrial property rights policy,
- (c) Settlement of industrial property rights disputes,
- (d) Quality control and standardization,
- (e) Industrial training and capacity building,
- (f) Training infrastructure and business development services for micro, small and medium enterprises,
- (g) Industrial tooling, machining and cement production,
- (h) Industrial research and development,
- (i) Finance and venture capital for industrial development,
- (j) Development of micro, small and medium enterprises,.
- (k) Provision of market linkages; and,
- (l) Access to finance for micro, small and medium industries.

The Ministry also oversees the operations of nine parastatals which include the Kenya Bureau of Standards (KEBS), the Kenya Industrial Research and Development (KIRDI), Kenya Industrial Estates (KIE), Numerical Machines Complex (NMC), the Kenya Industrial Property Institute (KEPI) and the Counterfeit Agency which was recently passed by this House, the Kenya National Agricultural Services (KENAS), IDP Capital and the Portland Cement.

Mr. Speaker, Sir, the manufacturing sector growth rose by 3.8 per cent in 2008, the lowest in the last five years compared to a growth of 6.5 per cent in 2007. That growth contributed 10.6 per cent to the Gross Domestic Product (GDP).

The number of direct formal wage employment in the manufacturing sector dropped by 0.3 per cent from 264,812 persons in 2007 to 264,095 in 2008. However, the subsector that registered growth included the beverage sector, clothing, wood and coal product and non-metallic mineral products. Some of the key challenges facing the industry include low level of productivity, high cost of production particularly energy, as we have already heard this afternoon.

It is important to note that the Ministry has finalized the Draft National Industrialization Policy which I laid here last week and will be debated in this House formally after the Cabinet gives its approval. The document consolidates intervention measures or contains intervention measures gathered in various documents into a coherent industrialization policy. The policy identifies the course of action that is necessary for industries to flourish based on experiences in successful economies.

Mr. Speaker, Sir, as I said, we are charged also with ensuring that counterfeit goods do not overrun our market and harm our industries. We passed the Anti Counterfeit Bill which is now an Act of Parliament. It was given assent in December, 2008 and this financial year, we will make it operational. Kshs100 million has been budgeted for that purpose.

Technical assistance on design and development for the commercial craft sector in Rift Valley, Coast, Nyanza and Eastern provinces are also provided. The main

objective is to assist micro, small and medium enterprise producer groups on commercial craft products, to improve their export products, diversification and competitiveness.

The Ministry is currently implementing the following initiatives:-

(i) The Private Sector Development Strategy, popularly known as PSDS. This strategy provides a framework to enhance private sector growth and competitiveness that will contribute, in turn, with the creation of wealth and employment. In this sector, we are concerned with productivity and competitiveness.

(ii) Micro, Small and Medium Enterprises (MSMEs) competitiveness project being implemented through a credit from the World Bank as a private- Public sector partnership. The aim of the project is to increase productivity and employment in participating MSMEs through three components namely: Access to finance, strengthening enterprise skills and market linkages and improving the business environment.

Mr. Speaker, Sir, together with our development partners, we have developed a master plan for industrial development. The Ministry with the technical assistance from Japan and in collaboration with various stakeholders has completed the formulation of a master-plan for the industrial development in Kenya. The master-plan identifies several flagship projects whose implementation has already started. This includes promotion and graduating of the informal sector into value addition. Value addition is a very important activity that will promote a centre of activities. We intend, in our strategic plan, to promote these activities. We do not want our products to be exported as raw materials. We want to produce quality goods that are competitive in the market. This will involve rehabilitating industrial roads and promoting easy access to industrial information, setting up funding schemes for commercialization of research and development activities, one village one product project, creation of integrated economic stalls and strengthening collection and disclosure of industrial statistics.

Mr. Speaker, Sir, my Ministry will undertake the following prioritized activities in 2009/2010 Fiscal Year: One, establishment of the constituency industrial development centers in 210 constituencies. To achieve this, a sum of Kshs735 million has been set aside in this Budget and we are requesting for its approval so that we can spend Kshs2.5 million in every constituency to build an industrial shed formally known as *Jua Kali* and also to spend Kshs210 million to equip these sheds bringing it to a total of Kshs735 million.

With regard to the Development of Special Economic Stalls and Industrial parks, we are still soliciting funds from development partners to finance these industrial parks. We are working together with the National Economic and Social Council to source for funds. We will operationalize the operation of Anti-Counterfeit Agency as I said and Kshs100 million has been set aside and is being requested in this budget.

With regard to the implementation of one village one product, we have received technical assistance from Japan. We want to identify what area can produce and manufacture so that we do not talk in vague terms that we want to industrialize but we also want to go to the villages and tell them what they can do.

With regard to the implementation of the 4K Programme which is undertaken by the KIRDI, KIPI, KEBS and the Kenya National Federation of *Jua Kali* Association projects which is funded by DANIDA under the PSPS, there is a small figure of Kshs4 million. On promotion of industrial investment of regions outside major towns, we will

spend about Kshs5 million. On the implementation of the Kenya Integrated Programme Phase II, known as KIP II, funding is being mobilized. We anticipate spending close to Kshs700 million in the next five years on that programme.

With regard to facilitating sub-contracting between large and small-scale enterprises, about Kshs2 million has been allocated.

Mr. Speaker, Sir, for my Ministry to achieve the above objectives which I have mentioned, I am requesting this House to approve an expenditure of Kshs2,892,470,000 made up of Kshs1,208,000,000 in Recurrent Expenditure and Kshs1,684,470,000 in Development Expenditure for the Financial Year 2009/2010. The expenditure, in detail, will be as follows:

Under Sub-Vote 600, General Administration and Planning, the funds allocated under this Sub-Vote will be spent mainly on salaries and allowances of the headquarter staff, maintenance of vehicles, travelling and accommodation expenses, budgets of maintenance of equipment, payment of telephone bills, payment of rents and rates, refurbishment of buildings and other operating expenses amounting to Kshs318,970,529 and Kshs750 million in Development Expenditure. As I said earlier, this consists mainly Kshs735 million which we termed in the Ministry as the stimulus package. As I said, we will build industrial development centers and equip them.

Under Sub-vote 601, the Kenya Industrial Research, the funds under this Sub-Vote will be used to finance operations in the Kenya National Industrial Research and Development Institute (KIRDI), Kshs290 million mainly under Recurrent for salaries and support and Kshs254 million for development. You will recall last year that KIRDI started pilot projects in leather, honey and other produce like fish. We want to continue with that programme. That is why we are requesting for Kshs254 million. Under the Kenya Industrial Properties Institute which does registration of Intellectual Property Rights, we are requesting Kshs104 million. The Industrial Properties Tribunal is an appeal tribunal. It has been allocated a small amount of Kshs11.1 million. The KIRDI has been allocated Kshs405,694,483 for Recurrent Expenditure and Kshs254 million for Development Expenditure respectively.

Under Sub-Vote 602, Industrial Training Services, the Directorate of Industries and the Kenya Industrial Training Institute, we have a small industrial training institute in Nakuru which will require some little money. The Numerical Machine Complex, for those of you who remember history, this is what we used to call the Nyayo Motor Corporation, we will give them a small grant of Kshs50 million requested to do a lot of things.

We were expected to fund the Kenya Industrial Estates (KIE) with much more money but we were unable. We were requesting for Kshs90 million but we have been allocated less. This makes a total of Kshs198,125,361 for Recurrent Expenditure and Kshs680,470,000 for Development Expenditure.

Under Sub-Vote - 603 Small Scale Industries and Field Services, this is only under Recurrent Expenditure. The funds allocated under this Sub-Vote will be used in promoting industrial activities in the districts. A sum of Kshs55,209,027 has been requested for this recurrent purpose.

Under Sub-Vote 605 - Industrial and Business standards, these are grants to the Kenya Bureau of Standards. There is a sum of Kshs230 million that is being requested

for that purpose. It is important to reiterate that this country will only move forward if we move from being an agricultural based economy to an industrial-based economy.

We have a vibrant industrial sector. As I said, in 2007, this sector contributed ten per cent of the GDP. We anticipate, if we have to really move and become a developed country, this sector will grow from now and continue contributing ten per cent of our GDP for the next 20 years as a minimum contribution. We are faced with challenges such as the high cost of production because of energy, lack of productivity, quality of produce and competitiveness in quite a number of our products. When I talk of “competitiveness”, I mean quality and price of the products. We must overcome all these challenges. At the same time, we must create the necessary environment for both local and overseas investors to invest in this country. One of the constraints that we face at the moment is lack of land. Land in Kenya has become another issue. A lot of value is attached to land. An investor coming into Kenya looking for investment opportunities finds that land costs Kshs50 million to Kshs100 million. Probably, that is the money that person wants to invest in this country. So, these investors, of course, will go to our neighbouring countries where land is free. If they are offered land, they invest there. So, we must come up with a solution on what to do with all these attachments to land which we have put at too high cost.

Mr. Speaker, Sir, as I said, we have requested a figure of Kshs14 billion, but got only Kshs2.8 billion. So, this is a far cry from what we want in order to move this country from where it is economically to an industrial economy. Nevertheless, we know our revenue base does not allow us to be allocated such a huge sum. As we say, the Government has no business being in business. We want to provide the necessary enabling environment. We ask both local and foreign investors to invest in this country. We will do all that is possible to ensure that we industrialize this country.

With those few remarks, I beg to move and ask Mr. Omingo to second.

Mr. Speaker: Order! Hon. Henry Kosgey, I know that you did not have the full view of your surroundings as you moved your Vote. But it is noticeable that officers from your Ministry are missing. It is the practice of the House and, indeed, the norm that when any vote is being moved, the officers from that Government department ought to be present to take notes on the concerns of hon. Members. Before you officers arrive, if they will arrive at all, confirm to the House that you will take full notes henceforth.

The Minister for Industrialization (Mr. Kosgey): Mr. Speaker, Sir, they may be lost. I will check to make sure that they are here within the course of the debate.

Mr. Speaker: In the meantime, will you confirm that you will take full notes?

The Minister for Industrialization (Mr. Kosgey): Yes, Mr. Speaker, Sir.

Mr. Speaker: Very well, you may now proceed!

The Assistant Minister for Trade (Mr. Omingo): Thank you, Mr. Speaker, Sir. I rise to second this Motion on the Vote of the Ministry of Industrialization.

Mr. Speaker, Sir, this Ministry is key for this Government to attain the Vision 2030 being a middle income economy. I believe that we fine track to do exactly the same. The Minister said that their request was for Kshs14 billion, but they managed to get only Kshs2.8 billion. This notwithstanding, I believe that this Ministry stands in a key position to implement the programmes already in place. For purpose of record and in terms of learning from other jurisdictions, India is actually where it is today because she embraced

small scale or cottage industries where they touched the raw fabric of the society. That is how India has reached where she is today.

I think with now the focus of us having cottage industries, where the Government is kind of devolving funds to constituencies to develop Jua Kali shades, I believe we are on the right track. In the area of research, the Ministry has tried. I wish that if and when funds are available, this Government will put more money into research. This is because it is only through research, that we can move forward.

Secondly, it is critical to appreciate the fact that issues of foreign technology may not take us far because even most advanced discoveries are made in the mother tongues. Therefore, when we think in an indigenous language and translate it, it gives us fair value. That is why we want to concentrate on research with our quarters, so that we can do what is home-grown for purposes of developing our sector. Industrialization goes hand in hand with other service sectors such as information technology, transport and power supply. I want to suggest that at this level, as the Ministry endeavours to do what they are doing, they require input from other Ministries to complement each other in terms of attaining their role.

The Ministry of Industrialization and Ministry of Trade are working on programmes to be able to inform the Kenyan population on how to invest, where to invest, who to invest with and where to find their markets. Therefore, it is critical that all of us, as Government, share information for purposes of complementing each other, so that we do not work at cross purposes. It is critical that all of us appreciate that the technological advancement of any country is key to success.

Mr. Speaker, Sir, the other issue is market access and, of course, financing for small scale entrepreneurs. In conjunction with the Ministry of Trade, there is also a programme which will complement the Ministry of Industrialization for purpose of attaining this important programme of access to markets and finance. But most importantly, we also must stand as leadership of this country to create a comfortable and safe environment for our foreigners to come and invest. There is no way we will have industrialists coming from the UK to come and invest here, when ourselves, we have no confidence in our systems. We do that by shipping our monies out there. We need Kenyan leadership led by Members of Parliament to invest whatever savings we have in this country. We must lead by example by creating confidence in terms of the environment we live in, so that we can attract others to come on board. It is pretentious to say that we can attract investors when we are casting aspersions on our security from our pronouncements. Of course, we do know that there are issues which are beyond. There are some which are with us. Those within us include guarding our tongues from scaring away investors; we can have a Kenyan leadership and lead by example.

Mr. Speaker, Sir, having said that, we need to focus on what we do. Now, Parliament has an Implementation Committee and Budget Committee, Members of Parliament will put the Government on check. This is the best that can happen in any country. I believe that whatever little money that was received, we can make maximum use of it because of accountability and transparency that Members of Parliament are putting on the Government.

With those few remarks, I beg to second.

(Question proposed)

Mr. Wetangula! Who is the Chair of the departmental Committee?

An hon. Member: Mr. Okemo!

Mr. Speaker: Mr. Wetangula, I am afraid, it will have to be the Chair of the Committee first.

Mr. Okemo: Sorry, Mr. Wetangula, you will have your time!

(Laughter)

Mr. Speaker, Sir, I wish to take this opportunity to introduce hon. Shakeel, a Member of our Committee who we have nominated to present the Committee's report on our behalf. Hon. Shakeel will present the report on behalf of the department Committee on Finance, Planning and Trade.

Mr. Shakeel: Thank you, Mr. Speaker, Sir. I have the honour of presenting the report for the Ministry of Industrialization. The mandate of the Ministry is to provide a policy framework and an enabling environment for industrialization in Kenya by formulating and implementing industrial policies and strategies. That is very crucial to this discussion.

Mr. Speaker, Sir, the Minister has just said that out of the Ministry's proposed budget of Kshs14.6 billion, only Kshs2.8 billion has been allocated to it. This is the case and yet this Ministry is crucial and critical in spurring industrial growth in this country. The strategic objective of this Ministry is to stimulate industrial technological activities that will enhance product value. In addition, it is to diversify product competitiveness in this country and create an enabling environment.

[Mr. Speaker left the Chair]

*[The Temporary Deputy Speaker
(Prof. Kamar) took the Chair]*

Madam Temporary Deputy Speaker, one of the key areas that were to be funded by this allocation was the implementation of the national industrial policies which we do not have. Another area was the promotion of a strong public/private sector partnership. The other area was the promotion of development and growth and graduation from micro to small and medium-term enterprises. Mr. Omingo has said that in India and China, they started with the *Jua Kali* industry, moved to small cottage industries and now they have moved into mini industries. However, we are stuck in the *Jua Kali* industry. It is the mandate of the Ministry of Industrialization to move the *Jua Kali* industry to the mini industry.

The Ministry was also to enhance collaborative research, development and linkage to industrial production. There seems to be a disconnection here. The Ministry was also to enhance facilitation of industrial standards, promotion, innovation and protection of intellectual and property rights. This is going on. It was also to promote the creation of industrial linkages, collaboration mechanisms and attraction of foreign and local industrial investments.

Madam Temporary Deputy Speaker, we have allocated this Ministry Kshs2 billion out of the Kshs14 billion it requested for. This is the case and yet we expect the Ministry of Industrialization to move this country forward to meet the visions and goals of Vision 2030. We must be serious here. However, we have Kshs2.4 billion and the Ministry is hard-pressed to come up with programmes that will enable it meet its goals. There is the stimulus package of Kshs735 million for the *Jua Kali* sheds and training. Each of the 210 constituencies will be allocated Kshs2.8 million for the *Jua Kali* sheds and Kshs1 million for equipment. We need the Ministry of Industrialization to tell us how this will be achieved. Who will co-ordinate this exercise? How will it be implemented? Will this exercise be carried out by the Ministry of Industrialization or the Constituencies Development Fund (CDF)?

Madam Temporary Deputy Speaker, one of the challenges we clearly found the Ministry faces is inadequate budgetary allocation. Energy is a major issue that we have to address. The current supply of energy is 10,000 megawatts compared to South Africa's 40,000 megawatts. Water supply is another major constraint to industrialization. Human resource is another constraint caused by brain drain.

The observation of the Committee is that this country is not moving forward in terms of industrialization and the Ministry has been unable to implement many of its laid down plans. I think the Ministry will be hard hit now that it has been allocated one-seventh of the budget it requested for. We feel for it.

With due respect, the Numerical Machine Complex is a dormant and archaic institution which we inherited from the past governments. We should not pump in more money to it. We would like the Minister for Industrialization to tell us what they have realised from the Numerical Machine Complex. How can it justify more money being pumped into it?

We also do not think that the Kenya Industrial Research and Development Institute (KIRDI) has played any role in the promotion of industrial research and development of technological transfer. We would like to know why we have allocated Kshs290 million to the KIRDI and Kshs50 million to the Numerical Machine Complex. Could they not be put together? Why is the Kenya Bureau of Standards (KEBS) being allocated Kshs50 million every year under the Ministry's development budget? We also need a justification for the increased net allocation from Kshs474 million to Kshs586 million to domestic travel. So, what is this domestic travel?

Madam Temporary Deputy Speaker, I have said earlier on that this country is not moving forward and we do not know where we are headed to. The Committee recommends that the Ministry of Finance should have made adequate budgetary provision to this Ministry, if it has to implement the programmes and activities that are aimed at stimulating industrial growth. Without that, there is absolutely no reason to allocate the Ministry one-seventh of the amount it had requested for.

The Committee also recommends increase in power supply and differential power tariffs for industrial use. Basically, we should make industrialization cheaper. We have had many people come here and tell us that our power is the most expensive in the area.

I have said earlier on that it is a waste of time having the KIRDI the way it is. However, we do not want to kill it by throwing the baby with the bath water. We propose that the KIRDI should be placed under a university so that it can flourish with the

students who will utilise its resources. There is no point of having that institution in Nakuru and yet nobody seeks help from it.

The Ministry should also invest more on agro-machinery, since about 80 per cent of agro-machinery is imported into this country.

Madam Temporary Deputy Speaker, in conclusion, the Committee feels that there is duplication of roles among the various Government Ministries which perform related activities. Therefore, the Committee recommends that there should be more harmonization and co-ordination between these Ministries. The Ministry of Industrialization and the Ministry of Finance should have been given a chance to make their case to avoid overlaps, duplications and omissions.

With those few remarks and observations, I take this opportunity to recommend and support the small amount of money that the Ministry has been allocated.

The Minister for Foreign Affairs (Mr. Wetangula): Madam Temporary Deputy Speaker, looking at the figure given to this Ministry, one would inevitably think that it is too small. Again, we have to understand that the envelope from which it is drawn is equally small. So, we can only get from what we have and we must operate within our capacity. As I support this Motion, I want just to say a few things. The Ministry of Industrialization is very critical in the development and evolution of the economic development and well-being of this country or any country for that matter.

Madam Temporary Deputy Speaker, this is a Ministry whose mandate includes formulating industrialization policy. It is cross-cutting and it will touch many other Ministries. I hope and believe that in their operations, this Ministry will develop sufficient capacity to influence the thinking, planning and the operations of key Ministries that are critical to industrialization. To industrialize today, one does not need to invent anything. Indeed, as late-comers to this industrialization programme, we have the easiest of things. We are not going to invent the lead machine, the wheel, the concrete mixers or anything. The technology is there and is available. We can get it and use it to industrialize our country. What one expects this Ministry to do is to agitate and create an enabling environment for industrialization. We know the challenges that this country faces including the current drought and shortage of energy. But we know that there are countries that have industrialized even in deserts.

So, we must formulate policy on how this country can have enough land for industries to be built. If you come to this country and go to any town even in the little towns in the villages, there is no single one which you can be given a half an acre of land to build any industry of any sort even a small assembly for bicycles. I think this Ministry in its quest to achieve its goals, must influence the Ministry of Lands to compulsorily acquire land as it is required under the Constitution, to set aside for industrialization.

Madam Temporary Deputy Speaker, the other issue is energy. This Ministry must influence the thinking and direction of the Ministry of Energy to make sure that we have adequate energy in the country.

The other issue is water. You cannot industrialize without water.

The Temporary Deputy Speaker (Prof. Kamar): Time up!

The Minister for Foreign Affairs (Mr. Wetangula): Time up! I was just at the preliminary stage of my speech but I beg to support.

The Assistant Minister for Roads (Dr. Machage): Madam Temporary Deputy Speaker, no country in the history of the world has ever prospered economically without

industrialization. If you look at Europe, the far East or United States of America (USA), they all had to be industrialized to be where they are now economically. At Independence, we were at par with Malaysia, another far East country. Indeed, Kenya did assist that country when it attained its Independence because they needed our help and support. But now if you go to Malaysia, you may not be able to compare the two economies. They are far much ahead because they woke up early and industrialized. Indeed, employment in this country has been of inverse proportion to the population increase because industrialization also enhances employment and we have lagged behind in this very important aspect of our development. Therefore, we have a very big unemployment rate in this country. Of course, this has its own interpolated factors; you have no employment, low health, low education and therefore, poor status of the Kenyan population.

The products that we produce currently in this country cannot even compete with foreign industries. We have over-priced our products because of several factors as has been mentioned; very expensive energy, very high cost of raw materials and an apathy in production. This is usually below average because of poor mentality of our own citizenry about work. People just go to work because they have to appear to earn a salary and not to produce. This has enabled an environment in this country that invites into our economy, counterfeit products and its menace because we go for anything that appears cheap. This is because of some poor management of some of our own departments, especially the standardization department. Of course, the Kenya Bureau of Standards (KEBS) must improve on this and actually have some teeth and bite hard, to remove counterfeit products in this country.

Madam Temporary Deputy Speaker, small and medium enterprise industrialization must be enhanced. Well, we have the *Jua Kali* industry and products in this country, but believe you me, these products are very difficult to sell beyond the borders of East Africa. We have to encourage and finance these Kenyans who have decided to be the back-bone of our industry to produce products that can compete.

I am very happy to hear from the Minister that there is a master-plan for industrialization development being prepared for us by the Japanese. That a little bit worries me; why Japan has to think for us. We also must be in the forefront to show Japan what we may want. Of course they are far ahead in their industrialization programme but we must also be part of decision-making on the development of the industrialization programme of this country. Indeed, the promotion of value addition that has been suggested by the Ministry is encouraging. It is naive that we produce coffee here, export it to Europe and buy it back at a higher price. This also applies to other products.

Madam Temporary Deputy Speaker, promotion of integrated economic zones is very much welcome and the Ministry is moving in the right direction. I am very happy to hear about the Constituency Industrial Development Programme. My constituency, Kuria, which was denied an opportunity to have the Kenya Industrial Estates Development Programme, will be so much happy to receive that facility. I hope you move very fast and do it before some other “mad” person comes and removes it from the programme.

The KIP funding is a good direction. The Vision 2030 dream will not be realized unless we industrialize and that is the truth, however much we sing at all our political

fora. We must create a proper political environment. We must avoid clashes at every election period and encourage industrialization and investors to come.

The Temporary Deputy Speaker (Prof. Kamar): Time up!

The Assistant Minister for Roads (Dr. Machage): With those few remarks, I support.

Mr. Ngugi: Thank you, Madam Temporary Deputy Speaker, for giving me this chance to support the Vote of the Ministry of Industrialization. This is a very key Ministry and it is really disappointing to note that they were allocated a meager budget of Kshs2.48 billion. However, I think this Ministry has started on the right footing. In the 18 months that they have been there, when the Minister was moving, he told us that they have already established a national industries relations policy. Without a policy you cannot guide things and now that they have a policy that will guide the industrialization of this country, I think they are on the right footing. We are also happy to note that this Ministry already has a master plan and a strategic plan. So, overall, they seem to be going somewhere.

The Minister also told us that they are in the process of starting funding schemes for research and that they are also going to have constituency industrialization centers, one per constituency. However, this equity may not be the best thing for this country: That, if one constituency has an industrialization center, another one must have the same. We must look at where we can maximize our resources and not just to distribute them equally.

Madam Temporary Deputy Speaker, I was happy to hear that this Ministry, in its master plan, is considering informal sector as a key component and particularly the value addition. This Ministry should not think that industries can only be manufacturing. Industries can also be agro. In the scheme that we have for African Growth Opportunity Act (AGOA), this Ministry can play a very effective and critical role if they link up the value addition with the AGOA scheme. That will help this country achieve some milestones.

Having said that, I want to talk about two flagships of this Ministry; one is the Kenya Industrial Research Development Institute (KIRDI). We should be doing a lot of research. May be, it has done research for the period it has been in existence and put it into the shelves. It has not come to the open how KIRDI can justify its existence for all the period and how it has helped this country to move forward. We would want to see much more from this flagship.

The other main flagship for this Ministry is the Numerical Machines Complex (NMC). Sometimes in the past, the NMC was one of the best workshops. East and south of Africa, up to the north; there was only other workshop in Libya that could compete with the NMC and yet, there is nothing to show for it. All you hear out there is mismanagement, employment of relatives, sacking of staff and allocations of the land that used to belong to the NMC, yet if this flagship of this Ministry is used properly, this country can save a lot of money on the spares that it imports into this country. This is a complex that would be able to produce, maybe, half of the industrial spares that this country needs. That way, it would save this country a lot of money. I was disappointed to hear that they were allocated only Kshs50 million. I wonder what you can do with Kshs50 million. This flagship must look for ways of generating its own money, not only

for its own self but for the Ministry and this country. With the right focus, it will be able to do that.

Finally, I want to say that this country can rely on agriculture, industries and tourism and still develop. It can also play a very key role.

With those few remarks, I beg to support.

The Assistant Minister, Ministry of State for Defence (Mr. Musila): Thank you, Madam Temporary Deputy Speaker. I stand to support the Motion and I want to join my colleagues in appreciating the work that the Ministry of Industrialization is doing for this country. However, when you enter any supermarket or any shop in this country, 99 per cent of the goods that you find in those shops are imported, yet we have been having the Ministry of Industry or by whatever name, Trade and Industry, since Independence. I think we have lost track somewhere. I think it is high time that the Ministry goes back to the drawing board. I recall during those days, we had the Kenya Industrial Estates (KIE). Those industrial estates were molded in a fashion that we were to grow industrial entrepreneurs to eventually become industrialists. But regrettably as is the case with many of our institutions, the KIE died. Therefore, how do we expect to industrialize this country when we do not have a base where we train young entrepreneurs to become industrialists so that they can make industries? No wonder all our industries today in this country are owned by foreigners and the indigenous people have no capacity to make industries because the Government and the Ministry have from the beginning, failed to develop industries through the KIE. Therefore, I call upon the Minister to look into this area and see whether he can restart the KIE. Some buildings still exist and perhaps he can expand it.

The spokesman of the Committee lamented about the *Jua Kali*. I agree with him that it is high time we developed something else; gave a better name because people tend to look down upon goods that are manufactured by the informal sector. For anything that is bad, people say that is *Jua Kali*. How do we expect to develop an industry through a system where people do not have confidence in the goods that are manufactured? So, let us move from *Jua Kali*, I agree with the Chair, and develop something else that people are going to have confidence in, so that they buy these goods.

Madam Temporary Deputy Speaker, every day, we hear of substandard goods and fake goods being offloaded from ships from the Far East. This has played a major role in killing the local industry. I do not think enough is being done to stop those goods from entering our Kenyan market. Walk in the streets and you will see many uncustomed goods, some fake goods. We must know as Kenyans that for every imported good that we purchase, we are putting some foreigner somewhere in another foreign country to work and misplacing our people. Why is that so? Our shoe industry, for example, which is as old as this country, Bata Limuru, has been unable to grow and wherever you go, you find cheap shoes from Korea being sold all over. Where do they pass through and yet they cannot last? Why are consumers not protected?

Madam Temporary Deputy Speaker, I want to applaud Kenya Bureau of Standards (KEBS) for coming up with a new method to standardize goods. But it is one thing to standardize goods and another to enforce those standards. Therefore, I call upon Kenyans to support KEBS. I call upon the Government to have confidence in KEBS and support it in its quest to standardize goods and enforce the standards. The KEBS should

ensure that sub-standard goods are withdrawn from the Kenyan market, so that we can develop our own industries.

The Assistant Minister for Nairobi Metropolitan Development (Ms. Ongoro): Thank you, Madam Temporary Deputy Speaker. I rise to support this Motion. But I want to add my voice to those who have spoken before me to make a statement that, in my opinion, that Ministry is one of the most important Ministries in this country. The allocation that they were given, in my opinion - and I believe it has been said by many hon. Members in this House - is not sufficient to take this country from where we are to the level of an industrialized nation.

Madam Temporary Deputy Speaker, I support the Motion, but I believe that the Ministry can help this country by decentralizing the locations of industries through a policy formulation. For example, if they put in place policies that will restrict investors--- For example, those who want to invest in fish processing should be compelled to locate their industries near the source. Those that are wishing to process fruits, for example, should be compelled to go to Eastern Province and so on. That way, we can open up the country through that Ministry and create jobs in every province. That will also help to decongest our cities.

Madam Temporary Deputy Speaker, the Ministry should also consider tax rebates for companies that already exist. That will encourage investments and make Kenya a preferred destination for investors. We have, in the recent past, experienced many company closures, especially those that are located within the Export Processing Zones (EPZs) of Athi River and Kasarani. About 70 per cent of those companies have closed down, thus, rendering many youths and those who depended on those companies jobless. That has created many other problems. The Ministry should also become more vigilant by supervising existing companies. We do not want investors coming into this country to establish businesses and to offer employment - which is a very good thing - but, at the same time, exploit Kenyans by underpaying them and forcing them to work for long hours, which is not stipulated in our laws.

Madam Temporary Deputy Speaker, I also request the Minister to put in place, policies that would ensure a reduction of production costs. Kenya is losing many investors to our neighboring countries. Of course, I know it is not within their mandate to control things like the cost of electricity, but I believe that they can put in place policies that will ensure that we become more competitive. I would also encourage the restructuring of the *Jua Kali* sector. For a long time, it has remained static. It is high time that the Ministry put in place policies and structures that will upgrade the *Jua Kali* sector into light industries.

Madam Temporary Deputy Speaker, every country has got structures and policies that encourage entrepreneurs, especially those with very innovative skills. They are financed to access markets. They are supported and funded by the Government not just to compete nationally, but regionally and internationally. In supporting the business entrepreneurs, I would encourage the Ministry to pay more attention to our youth. The youth is emerging at such a force that if not well absorbed through the Ministries such as this, we are going to experience an explosion. The Ministry should also come up with similar policies to ensure that companies also absorb women.

Madam Temporary Deputy Speaker, with those few remarks, I beg to support.

Mr. Nyamweya: Thank you, Madam Temporary Deputy Speaker. What I find most amazing is that almost all the raw materials that are required by industries in the world come from Africa and, yet, here in Africa, we are completely unable to industrialize. That is truly amazing! It is pathetic! I would like to tell the Minister so. If he wanted Kshs14 billion, how did he accept Kshs3 billion? How? What do you want Kshs3 billion for? You will not be able to do anything with that! Honestly, you should simply say: "Look, close the Ministry and we all go home", rather than saying: "That is a useful thing!" That is because you are not going to do anything useful! If, as a country, we do not understand the meaning of industrialization--- From ancient times, industries have been the ones that make countries flourish. If we cannot accept that industrialization is the key to our success then, honestly, we have no business!

Madam Temporary Deputy Speaker, everybody is talking about agriculture, but all the other countries that have progressed do not rely on agriculture. We are so well placed strategically, right at the shores of Indian Ocean. Everything that goes up and down passes through our shores. We are giving away everything that we are doing. The other day, you heard that we are giving away the whole of--- Is it the titanium at the Coast? We have iron ore, coal and everything that there is here! But, really, what does the Ministry of Industrialization want to tell us?

Madam Temporary Deputy Speaker, I am going to support their miserable Kshs3 billion because, perhaps, they need to have it so that they can have something to do but, honestly, it is really not worth the effort. We are not serious as a country! We go round in circles. Every day, we are talking about Mau, Hague and everything else. But the very serious things which matter to us like putting food on our table, employing our people and providing preventive care and medicine; we do not talk about them! Look at the Chamber now! This is the survival of Kenya and yet, hon. Members do not seem to think so! They will come here when they hear about the Hague. They will come here when they hear about something else. But the very thing that makes the difference is of no concern to us!

(Applause)

It is really shameful! It is truly shameful! But I can appeal, and I will appeal that, at least, with the monies we give to the constituencies through the Constituency Development Fund (CDF), perhaps, let us start looking at how we can start cottage industries the way other countries have done. That will be a beginning. I want to urge the Minister not to feel too sad about that. Do what you can with what you have.

Let them do what they can with what they have. Let them organise a workshop for Members of Parliament and tell them to set aside, maybe, two or three per cent of their allocation for the small industries which make a difference at home. I am talking about the welders who make windows and the small things that we need at home. Every constituency needs these products. We should start there because Rome was not built in a day. Let the Minister not despair. He should tell His Excellency the President and the Government that he is terribly disappointed with what they have allocated him.

Madam Temporary Deputy Speaker, I beg to support the Motion.

Ms. Noor: Thank you, Madam Temporary Deputy Speaker. I am a very saddened woman today as I stand here to contribute to this Motion. I feel disappointed because we do not have the technocrats here to take notes on our concerns.

Hon. Members: They are here!

Ms. Noor: Madam Temporary Deputy Speaker, they were not here when the Minister was moving the Motion. It is unfortunate that they were not here and yet this is a very important Ministry. It is also a key Ministry which can transform the whole country. The Asian Tigers have defeated us because of industries. Because of that, we must get the right people at the right place at the right time. If we can discuss a budget of this Ministry with a view of approving it and yet the Ministry officials are not here, it means that they are undermining the budgetary process of this House. We will not accept officers who do not take their responsibilities seriously.

Madam Temporary Deputy Speaker, having said that, as Parliament, we have the capacity--- We respect the checks and balances that exist between the Executive and the Legislature. We will not accept officers who believe that because they were appointed by the Executive, they should not attend such a session. We have power to change those laws. I would like to send a message to all appointees to public offices to take their work seriously.

Madam Temporary Deputy Speaker, industries are very important and that is why I am here to contribute to this Vote. It is not right for us to underfund the Ministry. If we fund this Ministry properly, we will have many industries and all our unemployed youths will access employment opportunities. They will also be able to serve this country well and this country will get the services that it requires. We do not need to export goods like matchboxes. This is wrong. We should have industries that are functional and can address our needs locally.

Madam Temporary Deputy Speaker, as you know, it is the industries that produce the goods that we require in our country. Therefore, we must think outside the box. For many years, the Ministry officials have only been thinking about the traditional way of doing things. We must be creative and compare ourselves with countries we were at par with during Independence. The economy of this country was growing very fast at Independence, but we got stuck somewhere. This is the case and yet we do not think about alternative ways of doing things. We are not proactive. I know that the Minister is capable, is committed to his work and has the heart for this country. I urge him to go out there and look for alternative resources of money so that he can accomplish his goals.

Finally, Madam Temporary Deputy Speaker, we should start from the grassroots. Each Member of Parliament should address small issues that affect his or her constituency. For example, Dujis produces a lot of tomatoes. However, a kilo of tomatoes costs Kshs2 at that place. That is wrong. We should have the cottage industry to facilitate small farmers in our constituencies. If that is done, the tomatoes in Dujis will be harvested and sold at good prices. As a result, farmers will gain from their investment.

I beg to support the Motion.

Mr. Muthama: Madam Temporary Deputy Speaker, I also rise to make my contribution on this very important Ministry. I would like to start my contribution by saying that it is important to note that industries in every country must have a starting point. The problem in Kenya and more so in Africa, is that we seem to want to run for the new technology being imported into our country. For example, an item is introduced to us

today and before we even understand how it works, something else is introduced into the market. So, our minds have been turned upside down and made to follow others' ideas.

I would like to give a good illustration to the Minister for Industrialization about Daimler Company that produces Mercedes Benz. The first vehicle produced by Daimler Company looked like a bicycle. The second one looked like the *tuk tuks* we see in Asia. However, because Germans were consistent and they believed in themselves, today, we have cars being produced by Daimler Company which are equal to airplanes. Kenya is not known for anything, forget about technology. Even with our cultural arrangements, we do not appear anywhere. Today, this country lacks a simple thing like a national dress. Kenyans are unable to say today that this is our national dress. It is as simple as that. This is because we look at what is coming from outside.

Madam Temporary Deputy Speaker, the constituency I represent and the province I come from has one of the best wood carvers. These carvers have sold their products all over the world. However, it is up to the Ministry to aggressively market those products so that they can be known to be Kenyan products. It is by marketing that wood carving that Kenya will produce something that will be admired all over the world.

We have women in this country who make baskets. We also have skins and hides in this country. We used to sell wild life trophies and skins. The Ministry should encourage and promote the people who make sisal baskets. The hides and skins we produce should be marketed. We get the best handbags from these things. If this is done, our country will be known out there. It is by doing that, that investors will admire our country and come here.

With those few remarks, Madam Temporary Deputy Speaker, I beg to support the Motion.

Mr. Njuguna: Thank you, Madam Temporary Deputy Speaker, for giving me this opportunity to contribute to this very important Vote. If you look at the industrialization process in this nation, you will realise that it has been messed up. It is important that we look at the management style that we inherited since 1963. Look at the Asian factories or industries. They are strong and vibrant and they create employment for our people. Look at the factories that were taken over by Africans on the eve of the Africanization programme which were introduced by the Founding Father of this nation, for example, the Uplands Bacon Factory in Lari Constituency which I represent. This is a factory that employed very many people.

It created a vibrant key industry but after it was taken over by our own people, it collapsed. Consequently, it was mysteriously sold. Look at the way we have managed the Kenya Meat Commission (KMC). Look at the way we have managed Halal Meat Company. Management is a key process that we need to look into.

Madam Temporary Deputy Speaker, the other issue is creating innovative environment for industries to thrive in this nation. If you looked at the way Kenya Commercial Bank (KCB)--- Equity Bank and Nakumatt Supermarket have already moved away from this country, because the conditions provided by the Government are not favourable to proper management of our industries. We should contain the exodus of industrialists.

The food that we import from Tanzania and Uganda is grown by Kenyans, who have moved away from this country because the terms and conditions in this country are not really good. Today, we have noticed that workers are likely to be sacked. The

sackings or dismissals have already started because, we, as the leadership in this nation, have not been very careful on matters that can impact on the management of these factories.

Madam Temporary Deputy Speaker, electricity, which is causing factories to close down, is an element that should have been checked a long time ago. We should create a fund to import electricity from the neighbouring countries of Ethiopia, Uganda and other countries, so that employment in our industries can continue. The crime rate is likely to rise in this country because those who will be sacked will be affected seriously.

The *Jua Kali* sheds are a very important component that has come out. The Ministry is going to invest about Kshs2.5 million. Members of Parliament in every constituency must be involved; the Ministry should not come down to select the area where a factory will be sited. Again, after completion of the *Jua Kali* sheds, they should not be taken by the rich in our nation. Those needy and vulnerable groups in society should be given the first opportunity, so that they can be supported.

Secondly, a fund must be created on similar terms and conditions to those of the Youth Enterprise Development Fund and the Women Enterprise Development Fund, so that we can have continuity of *Jua Kali* sheds in the whole nation. By so doing, we will be creating permanent employment in our constituencies.

Madam Temporary Deputy Speaker, the other observation that I have made is about the trained personnel in our universities. If, today, the Ministry of Industrialization indicated that we are going to start a factory or an industry for bicycles, how many jobs would it create? The people to manage these institutions are there. We have graduate technocrats and very qualified people in this nation. Why are we wasting a lot of resources buying bicycles from Japan and Dubai?

It is important that a Sessional Paper is prepared on how we can contain some of these problems. I would think, therefore, that the Kshs2 billion allocated to this Ministry is serious under-funding.

With those few remarks, I fully support the Vote.

The Assistant Minister for Industrialization (Mr. Muriithi): Thank you, Madam Temporary Deputy Speaker for giving me the opportunity to contribute to this Motion. I rise to support it.

I wanted to appeal to hon. Members, and the country at large, that we have been given encouragement to use whatever little we have. A number of things are happening today that we must bring to the attention of everybody. As a country, the incentives that we have already put on the table for business are not being used to the extent that we would like them to be used. I will give an example.

Today, if you are investing Kshs1 million, or more in Kenya, the incentive that this august House has put on the table is that we will give you an investment certificate, so that you can be given 100 per cent investment allowance. Last year, we had about 190 customers who told us that they were investing up Kshs190 billion. Surely, these are only the large companies that are coming forward to take advantage of our incentives.

I would like to urge Members of Parliament, as the leaders in this country, to encourage everybody in every corner of this country to ensure that they take advantage of these incentives.

Madam Temporary Deputy Speaker, we, as a Government, spend a lot of time trying to create markets in the region. That is why we spend a lot of time in the

COMESA and the East African Customs Union that is soon to be common market. In order for our small businesses to sell to these countries without attracting duty, they are expected to get a certificate of origin. Not enough businesses are coming forward for that certificate.

So, the key message is that we want to beseech Members of Parliament to be at the forefront in ensuring that our small businesses across the country know that these incentives exist, so that they can take advantage of them. For example, we talk a lot about access to finance – that we want to encourage small businesses to be able to get access to finance. Right now, we have a small fund, as a Ministry, to support and give incentives to small businesses to go out and get venture capital, but we are not getting enough customers.

Madam Temporary Deputy Speaker, Mr. Wetangula spoke about our ability, as a Ministry, to persuade others to walk the talk with us, because industrialization is a collective effort. I agree that, as a country, we must get out of this habit of working in silence, where we see only our individual turfs. For example, if you take the industrial parks and economic zones that we are undertaking involves not just the Ministry but also utilities, roads and everybody, therefore, we must work together.

It is true that the opportunities are across the country. Typically, people think that the grass is greener on the other side, but the opportunity to industrialise and create wealth is across the country. So, if you go to Kisii, or Tabaka, you will find soapstone. If you go to Baringo, you will find some of the best honey in the world. This is what it is about – it is about all of us ensuring that we assist to create wealth in each and every corner of this country.

Madam Temporary Deputy Speaker, my Ministry has in the past – and continues to do so to date – provided facilitation and support for constituencies, different towns and so on, to showcase themselves in terms of the economic opportunities that are available. We welcome support of Members of Parliament to work with us to continuously help every corner of this country to be able to promote itself.

I have a couple of last things to say. First, is the role of the different institutions that we are looking into. I know that a question has been asked, for instance, about the Kenya Industrial Research Development Institute (KIRDI). Right now, KIRDI is at the forefront of industrial research. So, if you go there, you will find that we are making biodiesel from Mikinduri cotton tree. We are making vegetable oil from amaranath seeds and so on.

With those few remarks, I support.

The Temporary Deputy Speaker (Prof. Kamar): Hon. Minister, you can now respond.

The Minister for Industrialization (Mr. Kosgey): Thank you, Madam Temporary Deputy Speaker. From the outset, I would like to thank hon. Members for their contribution and support of this very important Vote and for the sentiments they have expressed, particularly noting that we requested quite a bit of money, but we got very little. As I said at the beginning, we are all competing for the resources that are available in the Government. It is even being made worse by the prevailing drought, water and energy shortages.

Madam Temporary Deputy Speaker, Mr. Shakeel did mention quite a few things, but I will not answer them all. I want to talk about what he said about the Jua Kali sector.

We are setting up industrial development centres. We want to move from the word “Jua Kali” because it has a funny connotation. If we call them Industrial Development Centres (IDC), it will attract more people.

The Ministry of Public Works has designed a prototype shed which will be built in all the 210 constituencies as soon as they identify land. Each MP will be involved fully in his or her constituency. They are the ones who will identify the area, land and everything. They will make sure that the structure is put up. We will also have a standard set of tools because we would like to have these centres operational. If they want to do welding and other things young entrepreneurs do, they will be allowed to do so.

We are giving Kshs90 million to the KIE. Up to today, the KIE still has 42 branches countrywide. There are over 300 sheds in those 42 branches which are ready. Any investor can go in, rent a shed and start their industry. They can incubate from there and then move on. Those sheds are already in existence in branches.

Mr. Shakeel talked of the Numerical Machine Complex. I would like to invite the departmental Committee concerned to tour this Numerical Machine Complex. We have very modern computerized machines/ tools in place. It is a very good investment in this country. The only thing we are lacking is money to use them. As Mr. Shakeel said, they should generate their own money. When I visited them, I told them to generate their own money by making machines for industry. They can fabricate anything. When I visited there, they were tooling irrigation equipment which was going to be used in Somalia and they earned quite a bit of revenue. We should encourage them in that direction. Eventually, since we do not want to be business people, we should privatize.

Madam Temporary Deputy Speaker, Mr. Wetangula talked of land not being available. We have already stated that land is a factor in constricting industrial development in this country. We need to acquire land. We have identified the area between Nairobi to Mombasa. This corridor all the way from Athi River up to Mombasa is our industrial zone. We want to acquire land along this corridor. It is an area where we can build the economic swamps and invite investors to invest in those places. That does not mean that we do not want to diversify industries in other places. Each region in Kenya has something that they can produce. Mrs. Noor said that they produce good tomatoes in Garrissa. There is no reason they cannot produce tomato ketchup and add value. There is no reason this country should continue importing ketchup.

We are not a country that will say “no” to importation. We need to levy tariff on imported products, so that if Mr. Okemo wants to use that product, he has to pay for it. Mr. Shakeel will use the local product which is within his pocket. I am not suggesting that Mr. Shakeel cannot buy expensive stuff; he can.

Madam Temporary Deputy Speaker, we have various incentives for investors. We have listed various incentives which industrialists can take, including tax rebates and so forth. Unfortunately, we allowed 20 per cent of EPZ goods to be sold locally. The primary reason industries have closed in Kenya is the cost of production and the high energy input. It costs 23US cents per kilowatt hour for energy in this country and it will go up now that we will go more thermal energy. Compared to other countries like South Africa and Egypt that are using hydro electricity and South Africa where they are using a bit of nuclear energy, the cost of energy to industries is 5 US cents. So, ours is four times more. We really cannot compete in such an environment.

Madam Temporary Deputy Speaker, incidentally, Mumias Sugar Company just started production of electricity and the energy from Mumias is 6 US cents per kilowatt hour. So, if we were in that direction, we would, probably, industrialize this country faster. I would like to urge all our sugar industries to go into energy production because it will make them more viable.

Madam Temporary Deputy Speaker, Mr. Musila mentioned about the Kenya Bureau of Standards (KEBS) and Mr. Shakeel wanted to know why we have allocated them Kshs230 million. We actually gave them Kshs230 million annually for development of standards, maintenance and buying of new equipment. New computerized and analytical equipment come into the market every now and then. If we are to maintain a standard that is recognized internationally, we have to have the right equipment and hence the need to give them annual grants.

Mr. Wetangula mentioned that we should do something about energy. The Government is doing something about energy. As you know, we are trying to go into green energy. Green energy includes wind energy, geothermal energy and solar energy. These sources of energy are cheaper and cleaner for our environment.

Madam Temporary Deputy Speaker, I may not go into all that Members have said. Mrs. Ongoro mentioned something about the closure of industries. She said that employers in Kenya should not exploit people. Investors do not come to this country to exploit people. They come to make money. They come to make a return on their capital by investing. They want a productive labour force. Fortunately, our labour productivity costs the highest in the East African region. I am not suggesting that our labour is totally productive or has reached the peak. There is always room for investment.

The Temporary Deputy Speaker (Prof. Kamar): Your time is up!

The Minister for Industrialization (Mr. Kosgey): I can see my time is up.

With those few remarks, I beg to move.

(Applause)

(Question put and agreed to)

The Temporary Deputy Speaker (Prof. Kamar): Hon. Members, we shall now move to Vote 06 – Ministry of Planning, National Development and Vision 2030.

THAT THE SPEAKER DO NOW LEAVE THE CHAIR

Vote 06 – Ministry of State for Planning, National Development and Vision 2030.

The Minister of State for Planning, National Development and Vision 2030 (Mr. Oparanya): Madam Temporary Deputy Speaker, I beg to move:-

That the Speaker, Do Now Leave the Chair.

Madam Temporary Deputy Speaker, allow me to introduce debate on Vote 06 for the Ministry of Planning, National Development and Vision 2030. Let me begin by observing the mandate of the Ministry which is to facilitate and coordinate the national development planning process and provide leadership in national economic policy management.

Its core functions as outlined in the Presidential Circular No.1 of 2008 include the following:-

- (a) The national development planning.
- (b) Monitoring and evaluation of economic trends and policy.
- (c) Kenya National Bureau of Statistics.
- (d) Kenya National Census and housing surveys.
- (e) National Coordinating Agency for Population and Development.
- (f) Kenya Institute for Public Policy Research and Analysis.
- (g) Economic Commission for Africa.
- (h) New Partnership for Africa Development (NEPAD).
- (i) District Focus Strategy for Rural Development.
- (j) Poverty Eradication Commission.
- (k) Implementation of the National Vision 2030.
- (l) Monitoring of Millennium Development Goals (MDGs).
- (j) Coordination of Constituencies Development Fund (CDF).
- (k) Africa Caribbean and Pacific Initiatives.

Madam Temporary Deputy Speaker, the Ministry's mission statement is: -"To Provide Effective Leadership and Coordination in Planning, Policy Formulation and Tracking of results For Globally Competitive and Prosperous Nation".

In 2008/2009, my Ministry has a net approved budget of Kshs2, 753,000,000 under the Recurrent Expenditure and Kshs11,168,376,160 under Development Expenditure. The Ministry applied the approved funds in the following manner:-

- (i) Development of Kenya Vision 2030 and its first medium term plan of 2008 and 2012. Documents for both of which were launched by His Excellency the President and the Prime Minister on 10th June, 2008.
- (ii) Implementation of community development programmes, Constituencies Development Funds (CDF) and MDGs related activities. In 2008/2009, the Ministry continued the implementation of community based programmes for Central Kenya Dry Areas Project and Southern Nyanza Development Programme. In addition, the MDGs were localized in 26 districts and the 2007 MDGs status report launched.
- (iii) Implementation of other programmes and projects undertaken by the Directorate and Semi-autonomous Government Agencies. Key among these are the preparatory activities, that is mapping and piloting for the 2009 population and housing census, expanding capacity of the Ministry in the field of coordinating development programmes, preparation of district plans and hosting of the First Congress of African Economies.
- (iv) Monitoring and evaluation system activities implemented in 2008/2009 include preparation of end-term review for the Economic Recovery Strategy for Wealth and Empowerment Creation, the public expenditure review of 2009 and the development of national indicators for the first medium term plan 2008/2009 for the Kenya Vision 2030.

Madam Temporary Deputy Speaker, I wish to assure the House that the resources availed to the Ministry in 2008/2009 were used efficiently and effectively. Indeed, we achieved absorption rates of 98 per cent and 85 per cent under the Recurrent and Development votes respectively. We intend to achieve higher rates this financial year.

The Ministry's total resource requirement for the financial year 2009/2010 was estimated at Kshs24 billion, out of which Kshs3.1 billion was to be utilized for Recurrent Expenditure while Kshs20.9 billion was meant for Development Expenditure. However, only a net total of Kshs20, 662,535,180 was provided for in the current Printed Estimates. The financing gap, therefore, amounts to Kshs3.4 billion.

This year the Ministry intends to spend a net total of Kshs20,662,535,180 out of which Kshs6,301,035,000 is under Recurrent Vote and Kshs14,361,500,180 is under the Development Vote.

Overall, the Ministry's budget proposals reflect an increase of Kshs6,741,159,000. 20 over and above what was approved in 2008/2009. This proposed increase will mainly be used towards the funding of Population and Housing Census, Poverty Eradication Initiative, Millennium Development Goals (MDGs) initiatives, Community Empowerment and Institutional Support Project Counter-Funding, CDF activities and Vision Delivery Secretariat.

Madam Temporary Deputy Speaker, the Financial Year 2009/2010 in line with the programme based budgeting; the Ministry intends to continue funding its regular programmes but will also undertake to implement two crucial programmes. The first programme is the District Planning and Community Development which tries to enhance the standard of living for the rural population by providing social economic infrastructure and coordinating and implementing sustainable community based projects in rural Kenya. Under this programme, we have received funds from the African Development Bank to fund the five year community empowerment and institutional support project. The Ministry has allocated counterpart funds to support this project.

The second programme is Coordination of Policy Formulation, Statistical Services and Implementation of Vision 2030. To facilitate the implementation of the above Ministerial programmes, I propose to spend Kshs6,301,035,000 under the Recurrent Expenditure on the following major areas. One is the District Planning, Kshs426,593,057, Research Macro-Economic Policy and Regional Integration, Kshs131,183,320, Infrastructure, Social Economic Policy and Planning, Kshs49,617,592, Monitoring and Evaluation Systems, Kshs138,861,066; Administrative Services, Kshs408, 794, 824.

Under the Development Vote, I propose close expenditure of Kshs15,849,349,878 on the following major areas. Constituency Development Fund, Kshs12,358,300, Millennium Development Goals and Poverty Alleviation Initiatives, Kshs354,500,000. Environmental Management Initiatives, Kshs393,267, 366. Community Development Initiative, Kshs393,267,366. Community Development Initiatives, Kshs1,645,932,302.

In addition, Madam Temporary Deputy Speaker, I propose to make the following transfers to the Ministries, semi-autonomous Government agencies for them to effectively carry out their mandate. The Kenya National Bureau of Statistics, Kshs5,044,000,000; the National Coordination Agency for Population and Development, Kshs127 million; KIPPRA, Kshs116 million; NEPAD, Kshs43 million and Vision Delivery Secretariat 2030, Kshs129 million.

As already noted above, the Ministry has the larger responsibility of overseeing the CDF activities, coordination and implementation of the Vision 2030. With regard to these two programmes, the Ministry has operationalized CDF Board and has established and operationalized the Vision 2030 Delivery Secretariat.

Madam Temporary Deputy Speaker, I would like to thank the following Development Partners for working jointly with the Government and for supporting the Ministry in undertaking various projects and programmes: European Union, which is supporting directly the Core Poverty Programmes, Kshs713,428,463; Finish Government and UNDP, Kshs254,500,000; IFAD, Kshs914,920,746 and DFID and World Bank which is supporting Start-gap and Monitoring and Evaluation, Kshs728, 500, 000; the African Development Bank, Kshs337,854,459.

Before I conclude, I wish to highlight some of the challenges that we will be facing in the short-term and in the medium-term. One, under the basic planning services there has been increased demand for technical support by development actors due to the substantial growth in the amount of devolved funds flowing into constituencies. As a consequence, my Ministry faces major challenges in the effort to provide services in the lower level.

The challenges include the number of districts which are currently stand at 254 with each district requiring at least two economists. We need to recruit at least 300 more economists to serve as DDEOs and Assistant DDEOs. There has been increased workload, especially in areas of monitoring and evaluation. To facilitate monitoring and evaluation, each district requires a vehicle which the Ministry does not have currently. In this regard, we need to purchase at least 300 more vehicles. Office space and new equipment for the new districts is also a challenge. We need to put in place constituency resource management framework to ensure efficiency and effective use of devolved funds. Two, for the Vision Delivery Secretariat to deliver on its mandate, the budget requirements were estimated as Kshs750 million. We were only given Kshs129 million.

Third, the African Review Mechanism Process (ARMP) is a mutual self-assessment exercise which Kenya voluntarily acceded to in March 2003. This entails presentation of annual progress reports to the Committee of Heads of States and Governments participating in the ARMP and ARMP Continental Secretariat. However, this process has in the past relied on donor funding. This is not sustainable and puts the principle of the ownership of the process. Donors have been insisting that this is an issue that Governments must participate in. In this year's Budget, we requested Kshs45 million and unfortunately, we got none.

Finally, Madam Temporary Deputy Speaker, as you are aware, the Kenya National Bureau of Statistics is carrying census this year. The above challenges are a lot and I will be soliciting for your support in due course in accessing more resources to have these activities carried out.

Madam Temporary Deputy Speaker, the above notwithstanding, I therefore, beg to request the House to consider and approve a net amount of Kshs20,662,535,180 to finance both Recurrent and Development Expenditure for the year 2009/2010 for my Ministry.

Thank you, Madam Temporary Speaker, I beg to move. I request my colleague Dr. Mwiria to second.

The Assistant Minister for Higher Education, Science and Technology (Dr. Mwiria): Thank you, Madam Temporary Deputy Speaker, for giving me this opportunity to second this very important Vote for the Ministry of Planning, National Development and Vision 2030.

This Ministry is important because planning is the key to any development of any country. Sometimes because we are very much of politicians, a lot of the things we do are not professionally guided. We also forget that countries that have made a big difference in terms of major strides in development have been supported by serious planning. So, the critical role of the Ministry of Planning in any Government cannot be underestimated. This is why it is unfortunate that this Ministry got a deficit of Kshs2 billion from what it had requested. In fact, I wish they got more money. It is impossible for them to lead a process where this country will enjoy ten per cent growth per annum, if we do not fund this Ministry adequately, both in terms of monetary resources and also in terms of ensuring that they have the human resources to support their programmes both at the Secretariat and the district focal points.

Madam Temporary Deputy Speaker, the big issue about the census has already been mentioned. I know there has been a lot of controversy around that. Many of us do not want their ethnic communities to be mentioned as if there is anything criminal about that. But I think we need to appreciate the fact that if we do not know how many people are in this country, in which constituencies and districts, then it will be difficult for us to have a serious objective basis for development. So, we need to know how many we are and how many are occupying what areas of this country. This is because the CDF, school resources, how much we spend in agriculture and whatever else we, as a country will decide, will be based on how many people we have in urban and rural areas.

Madam Temporary Deputy Speaker, the Ministry of Planning, National Development and Vision 2030 cannot be seen in isolation. This is why it is important for all the Ministries to work in concert. In fact, the Ministry of Planning, National Development and Vision 2030 is really gell for all Ministries. Therefore, anything that happens in any of the other Ministries must be very closely related and monitored by this Ministry. In fact in many ways, this really should be the mother Ministry because all efforts of development must emanate from this Ministry. Whatever happens in other Ministries must be supported by what is taking place in this Ministry. We need to appreciate that importance and get other Ministers and bureaucrats in Ministries to realize that they cannot support development without being part and parcel of what is taking place in this particular Ministry. In this regard, therefore, we should forget vested interests. We cannot think of a national vision, if people are thinking in terms of ODM, PNU and in terms of which is my constituency and so on. Long term development for a country should have nothing to do with politics or political parties, so that after a new Government comes in, we remove Permanent Secretaries from this Ministry or other Ministries, or a permanent committee. Sometimes you say: "You know these were not priorities of ODM or PNU. That cannot work because any country's planning that is not long term is, therefore, not going to achieve anything. So, really we must leave politics, ethnicities and other issues that have nothing to do with long term development of this country, out of what takes place in this Ministry.

We should also invest seriously in human resources. As we talk about Vision 2030, we should borrow from the example of countries that have visions such Korea and Malaysia which are a little closer to us. These countries as they plan their economic development, they plan it in tandem with plans for human resource development. That way, at critical stages when they develop their primary and secondary education, they have vocational and universities, to the point that when you go to Korea almost 80 per

cent of those young people who should be in university are already attending universities. They attend universities to come out to an economy that would be able to absorb them because development of human resources and that of the economy was done in tandem. This is precisely what we should be borrowing from.

We should also borrow in terms of the length that is required. These countries such as South Korea and Malaysia required a period of more than 40 years to 50 years to arrive at what they are. So, when we talk about Vision 2030, we must not think that we can do it. It is not just about talking. It is about planning and commitment. In this regard, there is a need for dedicated Government. We must have a Government that is committed to the vision and that will take any destruction. As we know, these countries when they decided this was the way to go, they did not allow any politics or individuals to interfere with their policies. They said, if you did not agree with what the Government had decided, you could jump into the sea. But it is not a question of letting people in the name of democracy and ethnicity to mess concerted national plans; that is the only way to go. This is why I am one of the advocates of insisting that we need very strong leadership, sometimes to the point of a benevolent dictator who would say this is the way we should go and this is our vision. To support it, we must not accept any distraction from politicians on the basis of a democracy that is not making a difference.

With those few remarks, I beg to second.

(Question proposed)

Mr. Okemo: Thank you very much, Madam Temporary Deputy Speaker. I want to start by really congratulating the Minister for being the first Minister since we started discussing Estimates to come and give us an account of how his Budget was utilized in the previous financial year. He also demonstrated to us that the money that he is being allocated will actually be utilized. If you look at the statistics he has given us to indicate the absorption capacity that is the ability of the Ministry to spend the money that is given to them; these are very impressive figures. He talked of about 98 per cent for Recurrent and about 85 per cent for Development. That means the Ministry is serious and focused. I think they are able to utilise the funds that are allocated to them.

We spent very useful moment with the Minister and his technical team. We went through the entire Budget. I will not go into the details of figures, but there are a few issues that I would like to raise for the attention of the House. The first one is to recognise the fact that the Ministry of Planning, National Development and Vision 2030 is one of the key Ministries in the Government of Kenya. It should be treated as such. In any Government, I rightly agree with Dr. Mwiria, if you do not have proper plans, if these plans are not properly conceptualized, prepared and implemented, then anything to do with economic development is a pipe dream. Therefore, to enable this Ministry to prepare proper plans which can be relied upon by the Government to implement development policies, then they must be adequately funded. It is very worrying to see for example that Vision 2030, that the Ministry requested for Kshs750 million and received only Kshs129 million.

Surely, could the Government be serious about Vision 2030? How will the Vision 2030 Commission implement Vision 2030 if it has been allocated less than 20 per cent? It is a very insignificant amount of money that has been provided for. I think the Ministry

of Finance should be careful next time. I believe that the Ministry of State for Planning, National Development and Vision 2030 should be involved in allocation of resources to the Ministries.

There was a lot of wisdom in the past in having the Ministry of Finance and Ministry of Planning and National Development in one Ministry. This is because here it appears like the left hand does not seem to know what the right hand needs. If the two Ministries were working in tandem, the actualizing of an important plan such as Vision 2030 should have been the first thing to be adequately funded.

Madam Temporary Deputy Speaker, the Kenya Bureau of Statistics has been mentioned. This is a very important institution. A country or nation that does not have reliable data or statistics cannot talk about growth rates or plan for anything. So, the Kenya Bureau of Statistics is an important institution that should be properly funded. It should also have enough manpower with the right qualifications to be able to do the job. A simple case I have in mind is the Census which will take place on 24th August, 2009. It really amazes me that the Government knew there will be census in August, 2009 even before the Budget was put together. However, when the Minister brought his Budget here, there is a huge deficit of Kshs2 billion. Could the Government be serious? Dates have been fixed and everything is in place and you provide funds which are less by Kshs2 billion. This is the case and yet this money is required basically upfront or during the exercise. I hope that there will be a way that the Ministry of Finance will make the resources available so that we can have a proper census.

Madam Temporary Deputy Speaker, the basis for planning by the Ministry has been the district. In other words, the district has been the planning unit. However, the difficult part here is that the district, as a planning unit, is now an elastic thing because districts are being created by the second or minute. Today, we have 254 districts. Now, if your unit of planning is a district, which is changing from time to time, it undermines the credibility of your planning. I would like to recommend that we go the constituency way, because constituencies are predictable and we know them. They only change every ten years or so. To me, that would be a better thing and I would like to put it to the Minister of State for Planning, National Development and Vision 2030 to consider using the constituency as the planning unit. The Minister has adequately explained that the resources are not even there to provide office accommodation, equipment, vehicles and manpower for all the districts that have mushroomed. So, there is no need to create districts that are dysfunctional. Let us match the increase in districts with corresponding resources to make them effective.

The Millennium Development Goals (MDGs) are time bound. We know that we must have achieved them by 2015. I know that there has been a pilot project which has chosen 26 districts. I think we need to move fast to cover all other districts, because the MDGs will affect all the districts in Kenya. Therefore, the Minister should begin putting in place plans to cover the entire nation.

I also have an issue with the African Peer Review Mechanism (APRM), which is basically a self-assessment programme. The Minister requested for Kshs45 million and got zero shillings, yet we have been informed by the Ministry that this exercise is extremely vital to the implementation of Agenda Four of the National Accord. So, how will we proceed with Agenda Four if we do not have any funds? The Minister has a tough challenge ahead of him but he should look at this matter carefully.

Just going back again to the Kenya Bureau of Statistics, we know that inflation calculations have lately appeared in the Press; that the formula has not been right and so, this will change. The sooner we do that, the better. We should support the Minister to make sure that the Kenya Bureau of Statistics quickly comes up with a new computation of inflation so that we know the real facts. I am told that they are using the arithmetic mean right now and so, they should shift to the geometric mean. One over-exaggerates the actual magnitude. So, as we speak here today, the inflation figures we are being given are overstated. However, I cannot say to what extent until the geometric mean has come up with the number. I think that is important. If we have wrong inflation figures, how will we have fiscal policies that translate into economic growth? So, these things must work together, based on accurate statistics.

Madam Temporary Deputy Speaker, finally, I would like to talk about the CDF which is an important planning tool and policy that has been put in place by the Government and has been on for some time. I believe that the amount of 2.5 per cent should be considered for increment. In fact, I would like to say that the *Kazi Kwa Vijana* programme which has been allocated about Kshs15 billion, would serve the interests of the youth better if the money was channeled through the CDF.

Madam Temporary Deputy Speaker, with those few remarks, I beg to support this Motion.

Mr. Lekuton: Thank you, Madam Temporary Deputy Speaker. I would also like to join my colleague, Mr. Okemo, in congratulating the Minister for a good job. I hold him highly, as far as Ministers are concerned, in this Ministry.

Development policies of Kenya are driven by the objective of 2030. Our key objective, from what I have read from Vision 2030, is to accelerate the Gross Domestic Product (GDP) growth to ten per cent. This is a rather ambitious plan but attainable in this Ministry because of the ability to plan the way forward for our country.

Madam Temporary Deputy Speaker, I would also like to join my colleague, Mr. Okemo in talking about the CDF. In northern Kenya and my colleague, Mr. Chachu, will attest to this--- I was elected in 2006 and since then, the CDF funds have transformed Laisamis Constituency which I represent. I can say that between 55 per cent to 70 per cent of people now have clean water. I think we will do much better with proper planning and increased CDF allocations.

There is also the issue of the percentages allocated to different sectors in the CDF. Education is allocated between 0 and 15 per cent across the board, in spite of how much the hon. Member would like to use.

Madam Temporary Deputy Speaker, we have told our children to go to school. What we have told the Minister is to give different constituencies their specific needs. For me, my students can go to school if they have enough bursary. Only 50 per cent of the students in my constituency get bursary funds because we do not have enough allocation. So, we request for 20 per cent to 30 per cent, depending on the needs of the constituency.

We would also like the Minister to look at the potential and proper planning of northern Kenya. In my constituency we have strong winds that could provide between 30 and 40 per cent of this country's power. Fortunately, through the Ministry of Planning, National Planning and Vision 2030 and the Ministry of Finance, we have secured

investors and work has started. It will be the largest wind-power firm in the world. It is in Loyangalani and Mantkulal areas. That is the way forward.

Madam Temporary Deputy Speaker, the other issue is the utilization of arid lands. In most of those arid lands, we have very fertile soil that could be used for irrigation and save this country food. I urge the Ministry, that as they continue to plan, they should take into consideration the potential of that part of Kenya.

The other issue, before I can give my colleagues a chance to contribute, is the possibility of opening up the northern part of Kenya to tourists. The area has a beautiful landscape and a lot of wildlife. Everything that you can find in Maasai Mara, you can also find them in northern Kenya. As the Ministry continues to develop the goals for our country, I would like the Ministry to look at how we can properly develop that part of Kenya to be part of the solution because currently, we are part of the problem as far as this Government is concerned.

Madam Temporary Deputy Speaker, in conclusion, I would like to thank the Minister because he has always kept his promise. With the able leadership of his technocrats, like my former lecturer Dr. Sambili, I think they can move this country forward. We thank you for that.

With those few remarks, I support.

The Assistant Minister for Youth Affairs and Sports (Mr. Kabando wa Kabando): Madam Temporary Deputy Speaker, I wish to support this Vote by first wishing the Ministry all the best as they set the programme in finalizing the national census which will be very important to planning and putting resource allocation systems in an equitable and accessible manner. We want to raise justified issues that need to be considered by this Ministry as a way of instigating or putting a system that can fast-track the Vision 2030, of which they are also in charge.

First is the need to have an open Cabinet week in this country so that in every quarter we do have a Cabinet week where Ministries amplify their needs and challenges that they have faced in that quarter. This can be interactive to allow the public to engage the respective Ministries and also bring very clear targets that have been put in place so that the public can move with us. The system of performance contracting and performance appraisals is actually owned by our people. This would be very important.

Second, is this flagship project; the preparation for them to have an investable stage, to have clarity and affirm the position that can easily be accessed and the details that can even be consumed by stakeholders and investors, both local and international that they want to engage. That would be very important.

The third one is to have a reward system for the achievers in this country. That is the people who make small radios that we read of in the media. The scholars who are putting very good thesis on sectoral development matters that can be celebrated. There is no system to merit and celebrate our achievers in the Public Service. In the police force, for example, those who are doing exceptional things that can actually motivate and inspire the country and can also show that there is need for people to be committed and educated in very unique ways.

The fourth issue is the need for the Ministry to instigate a system that can re-invent or re-engineer the bureaucracy. The doers are very important. We may have the best programmes and best targets but unless we re-invent the bureaucracy so that the doers are competitive and acceptable, like in the private sector, where there is a system of

merit and punishment for doing and failing, respectively, would be very important. This is hugely absent now. Even the people who are violating the Public Officer Ethics Act remain in office because they have godfathers or godmothers, for that matter.

*[The Temporary Deputy Speaker
(Prof. Kamar) left the Chair]*

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

Therefore, it is important to reinvent our bureaucracy. This needs to come from the Ministry in charge of planning and Vision 2030 because if the personnel or individuals in charge of institutions are challenged, it will be very difficult for the rest of the masses to move forward.

Finally, Mr. Temporary Deputy Speaker, Sir, we would request the Ministry to consider some of the requirements in the Constituencies Development Fund (CDF). For instance, we are talking about the Cabinet meeting yesterday which deliberated on the current situation in the country and came up with unprecedented measures to ensure that certain sectors like the Military and the National Youth Service (NYS) play a role to ameliorate the problem of famine. But if you look at the CDF, there is a ceiling of 15 per cent for sector allocation. If an area sees that their survival depends on food and irrigation, like what has happened in Malawi, the President, the former Secretary-General of the Common Market for East and Southern Africa (COMESA), thought outside out of the box, defied the International Monetary Fund (IMF) and the World Bank and ensured that the people of Malawi feed themselves to be able to live for tomorrow, to be healthier, productive and, therefore, create a prosperous nation.

In conclusion, I would like to request that this Ministry comes up with a programme hinged on zero-tolerance to violations of the basic law. This would mean proposing, through the Cabinet - though there are other Ministries like the Ministry of Justice, National Cohesion and Constitutional Affairs which deal with issues of governance - a system that is watertight; that allows this country to move in a fresh and very heavy manner to abandon the past inhibitions that have disabled this country from moving to the next level.

With those few remarks, I beg to support.

Mr. Chachu: Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to support the Vote for the Ministry of State for Planning, National Development and Vision 2030. In supporting this Motion, I would like to state at the outset that I have a lot of regard for the Minister. He is a very hardworking Minister and is result-oriented. When you bring very critical development issues to his Ministry, he will give no excuses but will always strive for tangible results, however difficult that problem might be. That commendation, for sure, goes to the technocrats in his Ministry.

This is a very important Ministry playing a very strategic role in facilitating and co-coordinating development plans of this nation. It is a Ministry that should provide leadership in terms of preparing national strategic plans, whether that is Vision 2030, medium-term plans or economic recovery strategic papers. We should also not forget

that this Ministry is responsible for the most populous and famous fund called the CDF in the Republic of Kenya.

This Ministry needs to be funded if this nation is serious about development and achieving those tangible results that it has committed itself to in Vision 2030. If this Government is serious about realizing the Millennium Development Goals (MDGs) at the global level, then this Ministry, which is crucial for planning, must be funded adequately. As it is, and it has always been since Independence, we see a lot in the public and international fora in terms of policy deliberations but when it comes to actual funding and implementation of what needs to be done, very little is seen. Very little is actually invested for us to realize what we are saying we would like to realize by 2030 or by such period set by the MDGs. Just to give you an example, we now have 224 districts yet we have not done enough planning in terms of budgeting and availing resources to enable these districts to take off. Very few of them have District Development Officers or the necessary planners yet we are creating districts every other weekend, conveniently, for political reasons.

Mr. Temporary Deputy Speaker, Sir, this Ministry must be facilitated. Our District Development Officers (DDOs) and their deputies who are responsible for development planning in our districts must be facilitated to move from one corner of the district to the other, so that they can ensure that Government funds are well utilized to realize our development targets.

Mr. Temporary Deputy Speaker, Sir, my constituency is as big as three provinces combined - Nyanza, Central and Western provinces. It is almost 4,000 square kilometers and yet, my DDO does not even have an old Land Rover, let alone a Land Cruiser, to move him around! How can the Government be serious in terms of achieving that goal if the DDO responsible for that region cannot reach all the areas up to now?

Mr. Temporary Deputy Speaker, Sir, with the Millennium Development Goals (MDG), we have 24 pilot districts. I wonder how the Ministry actually selected those districts. Are those 24 districts really representative? If they are, I really ask myself now and then: How come Marsabit North or North Horr Constituency, for that matter, was not included; as poor as it is and with all the unique circumstances that are inherent in that particular district? I really hope that when they increase the number of pilot districts under the MDGs, my district or North Horr Constituency will be considered. That is because it is the third poorest, even by their own data, in this Republic.

Mr. Temporary Deputy Speaker, Sir, it is very, very important for the Ministry to realize that this country has moved on, not necessarily from the policy documents but, at least, from the Budget that was read a few weeks ago. It seems that we have decided to use constituencies as a unit for planning, as opposed to the districts in the past. I really hope that the Ministry will do some orientation in terms of planning and, maybe, use our constituencies as the unit for planning.

Finally, Mr. Temporary Deputy Speaker, Sir, as the Ministry responsible for the Constituencies Development Fund (CDF), and realizing the good work that the CDF has done in this country over the years, I really hope that the Ministry will spearhead the efforts of CDF and free it from civil servants and bureaucrats. Any development program is supposed to deliver tangible gains or benefits in a short period. But because of the bureaucracy by the district treasurer and district accountant, who are lesser in degree than the DDOs, it is still curtailing our efforts.

Mr. Temporary Deputy Speaker, Sir, we make commitments for our projects and, sometimes, it may take a few months before it is realized---

The Temporary Deputy Speaker (Mr. Lekuton): Your time is up!

Mr. Chachu: With those few remarks, Mr. Temporary Deputy Speaker, Sir, I beg to support.

The Temporary Deputy Speaker (Mr. Lekuton): Proceed, Mr. Nyamweya!

*(Mr. Nyamweya proceeded to
the Dispatch Box)*

Mr. Nyamweya: Thank you, Mr. Temporary Deputy Speaker, Sir. We have been told that not having a plan is also a plan. But to have a plan which we do not follow is also the same thing. Now, I want to support the Vote for this Ministry but, honestly, today---

Mr. Bahari: On a point of order, Mr. Temporary Deputy Speaker, Sir. You realize that hon. Nyamweya is addressing the House from the Dispatch Box, contrary to the Standing Orders.

Mr. Nyamweya: Mr. Temporary Deputy Speaker, Sir, I can always--- I hope it will not take my time!

*(Mr. Nyamweya moved to
the Back Bench)*

The Temporary Deputy Speaker (Mr. Lekuton): All right, hon. Nyamweya! Go on!

Mr. Nyamweya: Mr. Temporary Deputy Speaker, Sir, as I was saying, that is also not having a very good plan!

(Laughter)

But, Mr. Temporary Deputy Speaker, Sir, the point that I really want to make - and I made it a little earlier on when we were debating the previous Ministry's Vote - the two Ministries that we are doing today are actually the most important Ministries in the Government. If you look at the Chamber - and, in fact, even the CDF is the responsibility of this Ministry - where are the hon. Members of Parliament?

Mr. Temporary Deputy Speaker, Sir, I would like to urge the Minister to put a proposal to the Cabinet that hon. Members be removed from managing CDF because, surely, that is basic sense. There is the Legislature, the Executive and the Judiciary. The role of Parliament is to legislate and oversee the functions of the Executive. So, really, we have no business managing funds ourselves!

Really, we have no business managing the funds because our job is to check what the Ministries do.

Secondly, in a couple of weeks, the national census will be conducted. What can be more important to a country than to take stock of its population? The country needs to know how many people it has. It also needs to know its assets. How can Members of Parliament not be interested in this Ministry's Vote? How will they have their

constituencies planned if they have no interest in this Motion? It means that we have no interest in the future. This is because you have no future if you do not have a plan.

Mr. Temporary Deputy Speaker, Sir, earlier on, I heard an hon. Member asking the Minister for Industrialization what had happened to his bureaucrats. Perhaps, even his Accounting Officer was not here at all. I propose that there should be a representative from the Treasury at all times when the Votes are being passed in this House. To whom will we explain if there is an addition or reduction of funds? I believe that we, the leaders, are not serious about the affairs of this country. If we were, these are the sort of things we should discuss. These are the plans we should draw for the future. Where will we be as a country five or ten years from now? What is it that we want to do? Where are our plans? What will this and that Ministry do? These are the key issues that relate to us.

The Americans went into civil war and said that there is no taxation without representation. We are here to represent our people and these are our taxes, and yet we are not here. So, we can pass anything here. We could even say "*Leo tuongeze*". Let us allocate this Ministry Kshs100 billion." We can pass that and nobody will be the wiser. Honestly, sometimes it makes me very sad that we have so much interest in strange things, but we do not seem to be concerned with the critical things that matter to us.

The Minister has to market this Ministry. He has to engage with the other Ministries because there should be a master plan for the country which the other Ministries should implement. The other Ministries should not be allowed to operate as they wish. We have discussed the Vote for the Ministry of Industrialization. If the Ministry of Planning, National Development and Vision 2030 was involved, how can one say that you wanted Kshs14 billion and you were only allocated Kshs2 billion? Other than the CDF, what else does the Ministry of Planning, National Development and Vision 2030 have? Can it plan if we removed the CDF aspect? What can it plan with that money? If you look at its mandate, you will realize that it is very wide and yet we are not allocating sufficient monies to this Ministry.

With those remarks, I beg to support the Motion.

Mr. Mwaita: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this very critical vote. I also want to join my colleagues in congratulating the Minister and his team for a job well done. What they have done in the Ministry is commendable. I happen to be a Member of the relevant Departmental Committee and they presented an elaborate plan for this country. However, I would like to comment on two or three areas. The first one is about planning reports.

Mr. Temporary Deputy Speaker, Sir, the usage of planning reports, particularly by the Ministry of Finance, as earlier stated by our Chairman, hon. Okemo, is very important. I have in mind plans that had been prepared, but which have not been taken into account. In the Ministry of Planning, National Development and Vision 2030, there are plans and reports issued by KIPPR, which the Ministry of Finance ignores year in, year out. It is time that this disconnect was eliminated, so that as the Ministry of Finance allocates funds, it consults very closely with the Ministry of Planning, National Development and Vision 20230 for accelerated development in this country.

The other aspect is that of stalled projects. Projects appraisals are prepared and submitted, but projects continue stalling for years on end. For example, I have one project that has stalled in my constituency of Baringo Central since 1987; this is Baringo Technical College. The project was funded through this Ministry, in conjunction with the

European Union. At that time, it used to be the European Economic Community (EEC). That project needs to be looked into.

Mr. Temporary Deputy Speaker, Sir, the other aspect I want to touch on is that of poverty index. The poverty index seems to be an abstract thing. It does not take into account the problems and salient issues in various districts. You are told that the poverty index in a given district is such-and-such. For example, in my district, we were told that it is about 50 per cent, but people go without food. They cannot even afford to pay school fees. Eight out of every 10 people earn less than US\$1 per day.

I want to urge the Ministry to ensure that they do a thorough job next time they compute, taking into account all the information that is supposed to be taken into account, geographical situations, infrastructure, educational facilities and health facilities, so that the index can be representative, and as correct as possible.

Mr. Temporary Deputy Speaker, Sir, the other aspect I also wish to support is that of using constituencies as the planning units. You heard Mr. Okemo talk about districts that are elastic; I agree with him, although I support the creation of new districts. We need to have constituencies as centres of planning because that is where leaders are elected, and leaders are the ones who know the problems of the constituencies.

The other area I want to touch on is Vision 2030. You heard the Minister say that the funds allocated to the Secretariat is inadequate. Everybody, in all the Ministries, is talking about Vision 2030. If the Ministry cannot operationalise the Secretariat, how can we expect plans by other Ministries to be implemented? To me, the Ministry is the nerve centre. That is why it is named Ministry of Planning, National Development and Vision 2030. If they cannot operationalise the Secretariat, it means that Vision 2030 will be a mirage.

Mr. Temporary Deputy Speaker, Sir, finally, I want to comment on the CDF. I wish to also commend the Minister for the prompt manner in which they release the CDF money. They do it promptly. However, I want to suggest that instead of releasing the money on a quarterly basis, particularly money for infrastructural projects, they should be able to release it half-yearly. They should release 50 per cent instead of 25 per cent. This will enable constituencies and Constituencies Development Committees (CDCs) to implement programmes faster.

While still on CDF, I also wish to support my colleagues who suggested that the Minister moves quickly to bring an amendment to this House to change the law to increase the bursary allocation from 15 per cent to 30 per cent.

With those few remarks, I beg to support.

Mr. Bahari: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Motion on the Votes of these two Ministries. I want to start with the Ministry of Planning, National Development and Vision 2030.

The hon. Members who spoke before me have already talked of the importance of this Ministry. This cannot be over emphasised. There is a common saying that if you fail to plan, you plan to fail.

Therefore, as one hon. Member said, if you do these plans and you do not follow them up, then it is as good as you do not have any plans at all.

I want to go to specifics. Every five years, this Ministry issues out a national development plan. Due to that, this should be the lead Ministry in terms of what they have now borrowed in the Civil Service, that is performance contracting. I wonder

whether they are involved. That performance contract that the Minister, Permanent Secretaries as accounting officers are signing must be related to the development plan. In fact, it is the most important component of performance contracts. I am not sure that this Ministry plays a significant role as far as signing of those contracts is concerned. It is only then that we can call the Ministries accountable, have coherent programmes and influence the environment to produce the desired results.

Mr. Temporary Deputy Speaker, Sir, statistics are very important. It is on the basis of the quality of statistics that we obtain that we make plans. If the quality is not right, then the plans are extremely wrong. So, you will not get the desired results. I will give you an example. Until now, there has not been any statistics collected from northern Kenya. It was guesswork. Somebody just decided to sit there and give out figures. We were planned for on the basis of those figures. No wonder we are getting the kind of result that has become so costly now to the extent that we have to declare it a national disaster.

It is only by God's grace that this country is moving forward. There is the aspect of management. We are undermining God's grace by moving into some of the very important areas like Mau and other water towers and messing them up completely.

Mr. Temporary Deputy Speaker, Sir, in my constituency, there is a place called Lorian Swamp. All the students who have been schooling in this country know where Lorian Swamp is. It is one of those sacred areas which you need to protect. It is not even in existence now. I hope the geography teachers have now corrected that fact. We destroyed what nature gave us. Therefore, there is no water flowing there, the place is dry, the eco-system has been interfered with and the population is suffering now. They do not know what to do next, hence the emergency that we are declaring now.

It is now very evident that it is very costly not to plan. Look at the inflation figures that we are being given by the Ministry of Planning. Who will use those inflation figures? Nobody uses them. In fact, I must confess that when I was in the private sector we would say these are Government Public Relations (PR) statistics. We would go ahead and do our planning based on what we thought was correct. A lot of times, those figures are meant to please the powers of the day. I know we made amendments to the relevant law and I hope things have improved.

Even as I look at these figures, they do not look convincing at all. Even up to now, on the issue of inflation, we are not sure what to use. The Minister will confirm that he is not sure exactly of what to use when it comes to inflation. What is it, at the end of the day? These are the statistics that are extremely necessary for our planning, investment, borrowing and lending. So, this is an extremely important Ministry and it must---

The Temporary Deputy Speaker (Mr. Lekuton): Your time is up.

Mr. Bahari: With those few remarks, I beg to support.

Mr. Njuguna: Mr. Temporary Deputy Speaker, Sir, I take this opportunity to join my colleagues to make a few remarks on this Motion.

First, I would like to thank the Minister for the good job that he has continuously done in the Ministry. I will also not forget the role played by the Assistant Minister and the Permanent Secretary in that Ministry. That spirit that they have exhibited must be maintained.

I also wish to take this opportunity to thank Mr. Okemo, the Chairman of the Department Committee on Finance, Planning and Trade for their fantastic recommendations and his contributions in this House.

Mr. Temporary Deputy Speaker, Sir, on the new districts which were recently created, I think that Members of Parliament should not fight because we requested for the creation of the districts. Our people also requested for these districts to be created. These are our districts and we should own them. These districts will bring services closer to our people. More funds will be released to improve the welfare of our people in different districts.

On the issue of District Development Officers (DDOs), it is a very important segment because the newly created districts will not perform without the DDOs. I would urge the Minister to avoid deploying the same officers who have served before to those districts. We want new blood to be injected into this sector. We want people who have not served before to be given the opportunity to serve. We also require people to be recruited, not on tribal basis. People should be employed based on qualifications. That should be the criteria.

Mr. Temporary Deputy Speaker, Sir, on the performance of the DDOs in the districts, they should be supported and given vehicles so that they can reach all the corners of the new districts. New constituencies will also require offices. Therefore, enough funds must be released to meet this expectation. These officers cannot serve people from hotels.

Regarding the population census, we recall that the results of the last census were not declared because of political interference. There was doctoring of results. We want the census that will take place soon to be pure, articulate and accountable. I would urge the Minister for Planning, National Development and Vision 2030 to be the first in the Grand Coalition Government to declare the results of the census immediately. Manipulation of results will not be entertained. I also urge the Minister to work jointly with other Government departments to make sure that the enumerators will be given maximum security as they move from one place to the other.

I would also like to take this opportunity to thank the Minister for the Constituencies Development Fund (CDF) Task Force. This is a very innovative creation and the composition of the Task Force is effective. The report of the Task Force must be declared as soon as possible. *Wananchi* in the entire nation have really come forward with a lot of delight and expectation. Therefore, the results should be declared so that we know what recommendations will benefit operations of the Fund in the nation.

Regarding the development partners like the European Union (EU) and the World Bank, the funds they released to this nation is a good gesture towards accountability and transparency with which we utilize these funds. We should continue in the same spirit and they will continue to increase the funding. These funds should be directed to the Arid and Semi-Arid Lands (ASAL) where there is a lot of poverty that needs faster eradication.

Mr. Temporary Deputy Speaker, Sir, on Vision 2030, we need the entire nation to be educated on this and proper information must also be directed to our universities and secondary schools so that by 2030, the entire nation will be better informed and participate fully in the whole process.

With those few remarks, I support the Motion.

Mr. ole Lankas: Thank you, Mr. Temporary Deputy Speaker, Sir. I also stand to support this Vote of the Ministry of Planning, National Development and Vision 2030, which is very critical.

We all agree that planning is very crucial. Planning runs through all other Ministries, and proper planning is what we are talking about. I want to start by saying that there used to be what we used to call District Focus for Rural Development Approach, which is the bottom-up approach. This takes us to the DDCs in the districts. I do not understand whether the DDCs in the districts are as effective as they used to be. The district is the centre for planning and these committees are very critical in planning. However, the way they are operating now is like the DDCs are no longer taken seriously. There is a gap. In certain areas, like the arid and semi arid lands, the DSGs, food security group meetings, seem to have taken over from the DDCs. So, I do not know whether the policy has changed because the DDCs are now supposed to be the fora for planning and that should be the case. So, I think the Minister should find out what is happening. The meetings are held at the whims of the DCs or the DDOs. They are no longer as coordinated as they used to be.

The other issue I wanted to talk about is facilitation of the DDOs in the districts. This has been mentioned by my colleagues. However, I want to add that these are very important people in the districts. They are the secretariats for the DDCs. They move around to evaluate projects and they monitor projects. However, unless they are facilitated, we will end up with many stalled projects in the districts. There are so many stalled projects that date back many years ago. In fact, there is one project which I want to bring to the attention of the Minister; Lamu. This is directly under the Ministry of Planning, National Development and Vision 2030. The objective of the project was to come up with a district documentation center. A lot has been done up to the roofing level. A lot of money has been used there but up to now, that project is still stalled. These are some of the things that occur as a result of poor facilitation of the DDOs. The staffing levels in the DDO's offices is very poor. You will find that it is only the DDO who is there. Some are lucky to have secretaries but others do not have. However, these men are expected to implement this noble work of coordinating development at the district level, which is the planning unit for the Ministry and other departments. These are some of the areas which should be looked into.

Still on the DDCs, the DDCs recommend projects or programmes but they do not have legal capacity. This is where the problem is.

They pass projects with the leaders, but it just becomes a recommendation. When these project proposals come to Ministry level, I think it is left to the discretion of the Ministry staff to take what they want. We cannot challenge their decision because the DDCs have no legal backing. So, it is high time that the DDCs were empowered legally just like the CDF is, so that they have legal capacity when they decide on projects.

Mr. Temporary Deputy Speaker, Sir, the issue of the Kenya Institute of Public Policy Research and Analysis (KIPPRA) has been mentioned. It has been budgeted for by the Ministry. If you look at other Ministries' Budgets, you will see that KIPPRA is allocated money for research. So, one wonders, whether it is in order for KIPPRA to get money from most of the Ministries. This is an issue that should be looked into.

The other issue is that of community based projects. I do not know whether these projects are decided at the district or national level. Again, that takes us back to the

DDCs. There is a project such as Nyanza Programme that has been budgeted for. I do not know whether it came from the Ministry or down at the grassroots level.

With those few remarks, I beg to support.

The Assistant Minister, Ministry of State for Defence (Maj-Gen. Nkaisserry): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support this very important Vote.

From the outset, I would like to commend the Minister and his technocrats for the very important job they are doing for this country. This is a very important Ministry. We, as a country, need to ensure that proper funding is done, so that it can carry out its assigned responsibilities. There are several issues when you look at planning and national development. If this Ministry does not plan properly, then we will not attain development. As you realize, for the last 45 years of Independence, because of lack of proper planning, we, as a country, have failed. If we do not plan to succeed, then we are planning to fail. I think what has happened in the past is that we have been planning to fail. So, with this new vision of 2030, which is one of this Ministry's missions to be achieved, so that this country can be a medium developed nation, we need to support this Ministry.

I am not very sure whether the Kenya National Bureau of Statistics is fully operational to know where we are, at whatever level. The issue of monitoring is very important for a Ministry like this one. I am not sure whether there is capacity in these areas. We want the Minister to show leadership. First, we want him to show leadership in the area of stimulus package as mentioned by the Deputy Prime Minister and Minister for Finance in his Budget speech. We want that package to develop this country.

I want to challenge the Minister and his technocrats on the issue of the forthcoming census. I want them to tell me how they will account for people who are not in this country because of the current drought situation. It is high time they began to think of how they will account for these people. My people are in Tanzania. Unless they are properly enumerated, then this census will be meaningless as far as I am concerned.

Mr. Temporary Deputy Speaker, Sir, the Constituencies Development Fund (CDF) has brought tremendous and remarkable changes. We want the CDF, as we recommended, to be increased from 2.5 per cent to, at least, 5 per cent. This is very important because we have seen tangible development from the CDF package. The leadership, because the hon. Members are in charge, has shown that this can bring development to this nation. If the stimulus package can be channeled like the CDF, this country will move forward.

It is important that the monitoring unit of this Ministry goes down to see what the CDF money has done for this country. Then, the Minister will agree that this is a good way to go. So, the stimulus package should be channeled like the CDF.

Mr. Temporary Deputy Speaker, Sir, the technocrats have a habit of staying in towns, especially Nairobi. They should move to the ground to see for themselves what this money does for this country. It is important that what we want to do to achieve Vision 2030 is in the plan of the Ministry. It should be like an objective to be achieved.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support the Motion.

The Temporary Deputy Speaker (Mr. Lekuton): Hon. Members, since there are no more Members who are willing to contribute, I will now call upon the Mover to reply.

The Minister of State for Planning, National Development and Vision 2030

(Mr. Oparanya): Mr. Temporary Deputy Speaker, Sir, I take this opportunity to thank all the 11 hon. Members who have contributed to the Vote for the Ministry of State for Planning, National Development and Vision 2030. I also thank them for the support they have given the Ministry to ensure that we implement the mandate as required.

Mr. Temporary Deputy Speaker, Sir, a few issues were raised with regard to the CDF. Hon. Members are already aware that I appointed a Task Force about three weeks ago. It is going around the country collecting views from wananchi and Civil Servants. Its recommendations will assist us review the CDF Act of 2003 and the CDF (Amendment) Act of 2007. So, we have to be patient on the issues raised with regard to the CDF. We can look at the task force's recommendations when that time comes. However, there is a call that the CDF should be increased from 2.5 per cent to 5 per cent. I would like to inform the House that a Cabinet Memorandum has already been done by the Ministry and it has been forwarded to the Sub-committee on Finance, Planning and Administration for scrutiny. After that, the memorandum will be taken to the Cabinet, assuming that it goes through.

*[The Temporary Deputy Speaker
(Mr. Lekuton) left the Chair]*

*[The Temporary Deputy Speaker
(Prof. Kamar) resumed the Chair]*

Madam Temporary Deputy Speaker, on the Planning Unit being moved to the constituencies, as a Ministry, we have come up with a Constituency Resource Management Framework. This framework has also come up with proposals to change the way we do our planning. It has emphasized that planning be shifted from the districts to the constituency. The document is also before the Cabinet Sub-Committee on Finance, Planning and Administration.

Madam Temporary Deputy Speaker, on the issue of increasing the Millennium Development Goals (MDGs) coverage from 26 districts to all other districts, already as mentioned, we have financial constraints. However, we will continue expanding the MDG coverage as soon as we get more funding. Hon. Members raised the issue of the way we calculate inflation. I must admit that we have been using the arithmetic mean method while our neighbours and most of the African countries are using the geometric method. Already, there is a proposal that we change from the current way of calculating inflation to using the geometric method. Also, as a Ministry, we have prepared a Cabinet memo which is before the Cabinet Sub-committee on Finance and Planning.

Madam Temporary Deputy Speaker, Mr. Lekuton emphasized the issue of proper planning for northern Kenya. As a Ministry, we have realized that northern Kenya needs affirmative action. The fact that it needs affirmative action is the reason why the Government realized the need of establishing the Ministry for Development of Northern Kenya and other Arid Lands to address these specific needs of that region. We hope that with this Ministry in place, more funds will go towards that area so that it is developed as other regions of this country.

Regarding the issue of reporting, we have already come up with economic indicators for every year in order for us to achieve what we have in the medium term plan and Vision 2030. When the document is ready, I want to promise that I will bring it here so that hon. Members know where we are and where we are going. They will also be able to hold all Ministries accountable for their development.

Madam Temporary Deputy Speaker, Mr. Nyamweya raised the issue of hon. Members being removed from the management of Constituencies Development Fund (CDF), let me assure him - unfortunately he is not here - that these are some of the issues that are being looked at by the task force. He also raised the issue of the Government master-plan. We have a master-plan which is the Vision 2030. Within that master-plan that we are following, we have the medium term plan for the first five years and we shall have other medium plans as soon as the first one is over. So, this is to confirm that the Vision 2030 is the master-plan for this country.

Madam Temporary Deputy Speaker, Mr. Mwaita raised the issue of reports and I have already talked about it. Regarding stalled projects, I am sorry, Mr. Mwaita, I was not aware that there was a project which stalled from the 1980s. I promise that I will take it up and find out what happened so that the project is completed for the benefit of the people of your constituency.

On the issue of Vision 2030 budget, I raised that as a challenge and I hope that this House will support me on requesting the Ministry of Finance to give us more funds for that secretariat. As I had mentioned, we had requested for Kshs750 million but unfortunately we were given only Kshs129 million.

On the District Focus for Rural Development as raised by Mr. ole Lankas, the District Focus for Rural Development is still there, only that the District Development Committees (DDCs) which were supposed to be the vehicle for District Focus for Rural Development had no legal framework.

That is why the Ministry is now coming up with a constituency resource framework so that, that particular body, if the Bill passes through Parliament, will take over the role of the District Development Committees (DDCs). This is because we have realized that the DDCs had problems of funding and as such, most of them were or are dormant. But we have started having few funds flowing through up to the district level to help the DDOs to do planning through the DDCs.

Madam Temporary Deputy Speaker, Maj-Gen. Nkaisserry raised the issue of capacity building and I remember Dr. Mwiria also raised the issue of capacity. Hon. Members, as you are aware, now it is the Government policy that, at least, 2.5 per cent of its annual Budget goes towards training of staff. I think that was provided for in this year's Budget across all Ministries. We are hopeful that if those funds are used properly, then we shall have well trained manpower to spearhead Vision 2030.

On the issue of inflation figures as raised by Mr. Bahari, I think I have responded to that.

On the issue of performance contracts, let me assure hon. Members that the Ministry of State for Planning, National Development and Vision 2030 is involved in facilitating all strategic plans for all Ministries. All strategic plans of all other Ministries go through the Ministry of State for Planning, National Development and Vision 2030 to ensure that they are in line with Vision 2030 and the Medium-term plan.

With those few remarks, I beg to move.

(Question put and agreed to)

*[The Temporary Deputy Speaker
(Prof. Kamar) left the Chair]*

IN THE COMMITTEE

*[The Temporary Deputy Chairman
(Mr. Chachu) took the Chair]*

Vote 60 – Ministry of Industrialization

The Minister for Industrialization (Mr. Kosgei): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, a sum not exceeding Kshs1,287,485,000 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30th June, 2010, in respect of:-

Vote 60 – Ministry of Industrialization

(Question proposed)

VOTE R60 – RECURRENT EXPENDITURE

SUB-VOTE 600 – GENERAL ADMINISTRATION AND PLANNING

(Head 227 agreed to)

(Sub-Vote 600 agreed to)

SUB-VOTE 601 – KENYA INDUSTRIAL RESEARCH

(Heads 644, 741 and 767 agreed to)

(Sub-Vote 601 agreed to)

SUB-VOTE 602 – INDUSTRIAL TRAINING SERVICES

*(Heads 754, 768, 786, 787, 791,
792 and 793 agreed to)*

(Sub-Vote 602 agreed to)

SUB-VOTE 603 – SMALL SCALE INDUSTRIES FIELD SERVICES

(Head 790 agreed to)

(Sub-Vote 603 agreed to)

SUB-VOTE 605 – INDUSTRIES AND BUSINESS STANDARDS

(Head 788 agreed to)

(Sub-Vote 605 agreed to)

(Vote R60 agreed to)

VOTE D60 – DEVELOPMENT EXPENDITURE

SUB-VOTE 600 – GENERAL ADMINISTRATION AND PLANNING

(Head 227 agreed to)

(Sub-Vote 600 agreed to)

SUB-VOTE 601 – KENYA INDUSTRIAL RESEARCH

(Heads 644 and 741 agreed to)

(Sub-Vote 601 agreed to)

SUB-VOTE 602 – INDUSTRIAL TRAINING SERVICES

(Heads 791, 792 and 795 agreed to)

(Sub-Vote 602 agreed to)

(Vote D60 agreed to)

(Question put and agreed to)

(Resolution to be reported without amendment)

Vote 06 – Ministry of State for Planning, National
Development and Vision 2030

The Minister of State for Planning, National Development and Vision 2030
(Mr. Oparanya): Mr. Temporary Deputy Chairman, Sir, I beg to move that a sum not exceeding Kshs10,331,267,590 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30th June, 2010 in respect of:-

Vote 06 - The Ministry of State for Planning, National
Development and Vision 2030

(Question proposed)

VOTE R06 – RECURRENT EXPENDITURE

SUB-VOTE 060 - GENERAL ADMINISTRATION AND PLANNING

(Head 527 agreed to)

(Sub-Vote 060 agreed to)

SUB-VOTE 061 – PLANNING AND DEVELOPMENT SERVICES

*(Heads 204, 207, 211, 218, 220, 221,
222, 242, 249 and 758 agreed to)*

(Sub-Vote 061 agreed to)

SUB- VOTE 062 – STATISTICAL SERVICES

(Head 214 agreed to)

(Sub-Vote 062 agreed to)

(Vote R06 agreed to)

VOTE D06 – DEVELOPMENT EXPENDITURE

SUB-VOTE 060 – GENERAL ADMINISTRATION AND PLANNING

(Head 527 agreed to)

(Sub-Vote 060 agreed to)

SUB-VOTE 061 – PLANNING AND DEVELOPMENT SERVICES

*(Heads 207, 208, 211, 218, 220, 221,
222, 242, 249, 614 and 758 agreed to)*

(Sub-Vote 061 agreed to)

SUB-VOTE 062 – STATISTICAL SERVICES

(Head 214 agreed to)

(Sub-Vote 062 agreed to)

(Vote D06 agreed to)

(Question put and agreed to)

*(Resolution to be reported
without amendment)*

(The House resumed)

*[The Temporary Deputy Speaker
(Prof. Kamar) in the Chair]*

REPORTS

Vote 06 – Ministry of State for Planning, National Development and Vision 2030

Mr. Chachu: Madam Temporary Deputy Speaker, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs10,331,267,590 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2010, in respect of Vote 06 – Ministry of State for Planning, National Development and Vision 2030 and has approved the same without amendment.

The Minister of State for Planning, National Development and Vision 203 (Mr. Oparanya): Madam Temporary Deputy Speaker, I beg to move that the House doth agree with the Committee in the said Resolution.

The Minister for Industrialization (Mr. Kosgey) seconded.

(Question proposed)

(Question put and agreed to)

Vote 60 – Ministry of Industrialization

Mr. Chachu: Madam Temporary Deputy Speaker, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs1,287,485,000 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2010, in respect of Vote 60 – Ministry of Industrialization and has approved the same without amendment.

The Minister for Industrialization (Mr. Kosgey): Madam Temporary Deputy Speaker, I beg to move that the House doth agree with the Committee in the said Resolution.

The Minister of State for Planning, National Development and Vision 2030
(Mr. Oparanya) seconded.

(Question proposed)

(Question put and agreed to)

ADJOURNMENT

The Temporary Deputy Speaker (Prof. Kamar): Hon. Members, we have come to the end of today's sitting. Therefore, the House stands adjourned until tomorrow, Thursday 13th, August, 2009, at 2.30 p.m.

The House rose at 7.15 p.m.