

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 18th August, 2009

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

QUESTIONS BY PRIVATE NOTICE

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 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 did the Government lose as a result of the failure?

(d) What measures has the Kenya Ports Authority taken to ensure that all the pilot boats are serviceable at all times and that similar incidents do not recur?

The Assistant Minister for Transport (Mr. Mwau): Mr. Speaker, Sir, I beg to reply.

(a) The breakdown of the pilot boat which occurred on 27th July, 2009 was one of the odd cases where all the pilot boats developed mechanical problems attributed to the generator on board.

(b) The number of vessels that delayed berthing because of the breakdown of the pilot boats was six.

(c) The Government did not lose any revenue as a result of the delay because the pilot services were provided by patrol boats.

(d) The Kenya Ports Authority has ordered a new set of generators to replace the faulty ones on the pilot boats. It is also budgeting for the acquisition of additional new pilot boats.

Mr. Chanzu: Mr. Speaker, Sir, the reason why I asked this Question was because of the importance of the Port and its operations. It cannot be true that out of the six boats, five boats failed and there was no inconvenience or costs incurred.

Mr. Speaker, Sir, ships carry goods which are eventually offloaded. There are businesses which are involved and you cannot say that the Government did not lose any revenue because of the delay! I would like the Assistant Minister to take this issue seriously and give this House and the country a proper answer to this Question.

Mr. Mwau: Mr. Speaker, Sir, I appreciate the concern of the hon. Member. It is true that the Government is not supposed to lose revenue. It is also important that the ships that come into this country are given priority and do not delay in berthing. But, sometimes, there are some things that you call “acts of God”. That was a one-off case where two of the boats developed serious mechanical problems and, actually, the engine of one of them was overhauled. But I can confirm to this House that the Kenya Ports Authority has floated a tender to buy new mooring boats. It has also floated another tender to get a maintenance company that will maintain the boats as and when it is required.

Mr. K. Kilonzo: Mr. Speaker, Sir, this Assistant Minister is very conversant with issues concerning the Port. He is one of the principal players in that field. Could he confirm here that the lives of those boats have actually expired? If not, how many years does a boat take to expire? If they have expired, why is KPA continuously using those old boats which are breaking down now and then and costing the Government more money in terms of servicing, instead of grounding them and buying new boats?

Mr. Speaker: Order, Mr. K. Kilonzo. Before you take your seat, you have asked three questions. You are allowed one supplementary question. So, which question do you want the Assistant Minister to answer?

(Laughter)

Mr. K. Kilonzo: Clearly, Mr. Speaker, Sir, I want the Assistant to confirm to this House that the lifespan of those boats has actually expired.

Mr. Speaker: That is fair enough. Proceed, Mr. Mwau!

Mr. Mwau: Thank you, Mr. Speaker, Sir. I only beg to differ a little bit with the hon. Member. An engine of a boat can be rebuilt and it is serviceable. However, I would agree with the hon. Member that, due to the age of the boats, they need to be replaced. That is why the KPA has budgeted to buy new boats during this Financial Year.

Mr. Speaker: Order, Mr. Assistant Minister! That question appeared to be very precise; has the life of those boats expired?

Mr. Mwau: No, Mr. Speaker, Sir.

Mr. K. Kilonzo: On a point of order, Mr. Speaker, Sir. I thought the Assistant Minister has said that the life of that boat has expired and that is why they have actually provided funds to buy new boats. He is now saying that the life of those boats has not expired. Then, what is the reason of buying new boats?

Mr. Speaker: Order! That is not a valid point of order! In his answer, the Assistant Minister has not even said that the life of those boats has expired. That is really a matter of argument. Is there anybody else interested? Ask your last question, Mr. Chanzu!

Mr. Chanzu: Mr. Speaker, Sir, on the last part of the Question, it appears as if the Ministry does fire fighting instead of doing what it is supposed to do regularly. What has the Ministry done to fast track this process so that we avoid this happening in the near future?

Mr. Mwau: Mr. Speaker, Sir, I have already said that the Ministry has floated a tender for maintenance---

Mr. Chanzu: On a point of order, Mr. Speaker, Sir. I understood what the Assistant Minister has said. Floating a tender could take years. Is he in order to tell this House that he has floated a tender? How long will he take to put this in place?

Mr. Mwau: Mr. Speaker, Sir, procurement in Government departments is a statutory process. There is no way it can be accelerated beyond the time span that the statute requires.

Mr. Chanzu: On a point of order, Mr. Speaker, Sir. When it is a case of emergency, and this is where the Government keeps failing, he cannot talk about a statutory process. We are saying that the Government is losing money. What is a statutory process in this affair? Why does the Assistant Minister wait for procurement officers to mislead us all the time? Could he act, as a Ministry?

Mr. Speaker: Order, Mr. Chanzu! I have heard you express yourself. You have not pointed out anything that is out of order! You have instead asked further questions and argued with the Assistant Minister's answer. So, Mr. Assistant Minister, you need not to respond!

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 Kenyan territory and 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 the Minister taking to ensure that the Sudanese soldiers vacate Nadapal border point, which is 1 kilometre into Kenyan territory?

The Minister of State for Defence (Mr. Haji): Mr. Speaker, Sir, we have communicated to the House as well as to my colleague, the Minister for Foreign Affairs. We are of the view that this Question should have been directed to the Ministry of Foreign Affairs.

Mr. Speaker: I understand that you communicated that concern to the Speaker's Office, but by the time your letter came, the Order Paper was already printed. Could you ensure, in future, that requests to defer Questions or re-direct them are made timeously, at least, two days before the due date? All other Ministers, please, note that. We have too many requests coming at the eleventh hour and it is difficult to operationalise those requests in those circumstances.

So, this Question is deferred until Tuesday, next week, because it is being re-directed to a new Ministry. Dr. Eseli, please bear with the House until Tuesday, next week.

(Question deferred)

ORAL ANSWERS TO QUESTIONS

Question No.360

MINISTRY'S POLICY ON SCHOOL
FEEDING PROGRAMME

Mr. Mwaita asked the Minister for Education:-

- (a) to state the Ministry's policy on the School Feeding Programme (SFP);
- (b) what effect the current programme has on the Free Primary Education (FPE) in Arid and Semi-Arid Areas (ASAL); and,
- (c) whether the programme was piloted prior to its implementation.

The Assistant Minister for Education (Prof. Olweny): Mr. Speaker, Sir, I beg to reply.

- (a) The Ministry has no policy on SFP. However, the National School Health Policy (NSHP) which was launched on 5th August, 2009 provides a comprehensive school health programme geared towards achieving better health for school children. Further, the National Food Security and Nutrition Policy (NFSNP) provides an overarching framework for food security, nutrition, nutrition education and hunger reduction for enhancing the SFP.
- (b) The SFP has increased school enrolment, motivated parents, reduced hunger and malnutrition, activated life, boosted learning concentration and improved performance in the ASAL districts, Nairobi and Mombasa slums.
- (c) The SFP was never piloted before it was implemented due to the Government emergency response to the 1979 drought that seriously affected school enrolment, attendance and learning. The Government requested the World Food Programme (WFP) to provide mid-day meals to school children in drought affected ASAL districts to alleviate hunger and encourage learning.

Mr. Mwaita: Thank you, Mr. Speaker, Sir. You have heard the Assistant Minister clarify and confirm that there is no existing policy on the SFP particularly in the ASAL areas. However, could he clarify the current homegrown model of the SFP which forces schools to buy food? What does the Ministry do in areas where there is serious shortage of food?

Prof. Olweny: Mr. Speaker, Sir, we have two SFPs. One is sponsored by the WFP, while the other one is called "homegrown" where the Government of Kenya and the Japanese Government provide money to schools so that they can buy food which is grown locally or from the National Cereals and Produce Board (NCPB).

Mr. Mwangi: Thank you, Mr. Speaker, Sir. Last year, the Ministry of Education and the WFP had targeted to feed 1.39 million children at mid-day. The purpose is to enhance retention, attention and improve nutrition. Could the Assistant Minister tell this House how many children are under the SFP up to now, bearing in mind that we have had drought and famine in the entire country?

Prof. Olweny: Mr. Speaker, Sir, the number of children fed today under the two SFPs which I have mentioned above is 1,618,466.

Mr. Chepkitony: Mr. Speaker, Sir, in view of the current drought, could the Assistant Minister consider expanding the number of schools in the ASAL areas under the SFP? This is because some schools which were under the SFP two years ago were removed from the programme.

Prof. Olweny: Mr. Speaker, Sir, it is the wish of the Ministry of Education to bring more schools under this SFP, but the problem is lack of resources. We are, however, trying our level best to make sure that we bring all schools in the affected areas under this programme.

Mr. Wamalwa: Mr. Speaker, Sir, this problem is not only felt in the ASAL areas. Even in areas like Trans Nzoia, we have rampant poverty and many squatters. Children are forced to go and weed the farms. These children drop out of school due to lack of food. What has the Ministry done to curb this situation and retain these children in school?

Prof. Olweny: Mr. Speaker, Sir, I will repeat the same answer. I have said before that the Ministry is concerned about poverty and hunger that makes children drop out of school and prevent them from going to school despite the fact that we have free primary and secondary education. The Ministry, in collaboration with the developed partners, will try as much as possible to expand the Programme.

Mr. James Maina Kamau: Mr. Speaker, Sir, out of the money that the Government has released to take care of the current food crisis, how much will go towards the SFP?

Prof. Olweny: Mr. Speaker, Sir, could the hon. Member repeat the question?

Mr. James Maina Kamau: Mr. Speaker, Sir, the question I have asked the good Assistant Minister is: Out of the money that the Government has released to take care of the current food crisis, how much will go towards the SFP?

Prof. Olweny: Mr. Speaker, Sir, the amount of money that we will use under the SFP is as follows. Under the "homegrown" SFP, which is sponsored by the Government of Kenya and the Japanese Government, we will spend Kshs539,995,790.

Under the World Food Programme (WFP) School Feeding Programme, the WFP is spending---

(Prof. Olweny hesitated)

Mr. Speaker: Assistant Minister, that is not optimum utilization of time!

Prof. Olweny: Mr. Speaker, Sir, the WFP is giving us food, and not money. So, I could give what they are giving us in terms of metric tonnes, and not in Kenya Shillings.

Mr. James Maina Kamau: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead this House? I am not asking about what the WFP is giving us. I am not talking about the amount of money that is being given by the Government. Of that money, how much is going to the School Feeding Programme (SFP)? That is my question.

Prof. Olweny: Mr. Speaker, Sir, I indicated to him a minute ago, the amount of money that the Ministry is spending on the SFP.

Mr. Speaker: Fair enough!

Mr. Gunda: Mr. Speaker, Sir, since the Ministry has no policy on the SFP, how do they intend to sustain this programme?

Prof. Olweny: Mr. Speaker, Sir, we intend to sustain it. We have been sustaining it through funds from the Government itself and development partners.

Dr. Eseli: Mr. Speaker, Sir, as the Assistant Minister said, there is no policy on SFP in this country, yet the poverty levels in the country are very high even without what

has now come in, in form of the current food shortage. When will the Ministry come up with a policy on school feeding, now that we know that feeding of school children has an impact on the learning of the children?

Prof. Olweny: Mr. Speaker, Sir, there is no plan of coming up with such a policy. As I have indicated, the National School Health Policy, and the National Food Security and Nutrition Policy are taking care of that programme adequately. There is no point of duplication of policies.

Mr. Speaker: Last question, Mr. Mwaita!

Mr. Mwaita: Mr. Speaker, Sir, I would want the Assistant Minister to clarify how much money is spent per pupil per month. How much money has the Ministry set aside for the feeding of a pupil per month?

Prof. Olweny: Mr. Speaker, Sir, I did not do that arithmetic before I came here.

Mr. Speaker: Next Question, Mr. Warugongo!

Question No.222

NON-PAYMENT OF RETIREMENT BENEFITS
TO JOSEPH KAGWI

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

(a) why he has not paid service and pension benefits to Mr. Joseph Muturi Kagwi (P/No.371347), who retired on 1st December, 1997; and,

(b) when he will pay him.

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Lesrima): Mr. Speaker, Sir, I request for more time to provide an answer to this Question, because the answer I have is not satisfactory.

Mr. Speaker: When will you be ready?

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Lesrima): Mr. Speaker, Sir, I will be ready on Wednesday, next week.

Mr. Speaker: Mr. Warugongo!

Mr. Warugongo: Mr. Speaker, Sir, I think the Assistant Minister is doing quite a lot to come to the end of this Question. So, I have no problem with waiting until Wednesday.

Mr. Speaker: Fair enough! It is directed that the Question be answered on Wednesday, next week.

(Question deferred)

Next Question, Dr. Wilbur Otichilo!

Question No.214

RENOVATION OF KAKAMEGA PROVINCIAL
GENERAL HOSPITAL

Dr. Otichilo asked the Minister for Medical Services what plans he has to renovate the dilapidated buildings and provide an Intensive Care Unit (ICU) facility and a CT scanning machine at Kakamega Provincial General Hospital.

The Minister for Medical Services (Prof. Anyang'-Nyong'o): Mr. Speaker, Sir, I beg to reply.

In the current financial year 2009/2010, the Ministry will repair leaking roofs, upgrade piping for medical gasses and prepare sites for installation of new medical equipment at Kakamega Provincial General Hospital at a cost of Kshs12.5 million. In the same period, the hospital will receive various medical equipment and plants worth Kshs76.7 million under a programme to equip 23 hospitals funded by the Netherlands Government.

As regards the ICU, the Ministry plans to complete refurbishment of an identified building and supply the necessary equipment and staff to make it operational in the next financial year 2010/2011.

Mr. Speaker, Sir, due to a limited Development Budget stretched by demands to upgrade provision of priority basic and specialised services in many hospitals, including Kakamega Provincial General Hospital, the Ministry is not able to provide a CT scanner to the hospital in the short-term. Consideration will be given to this matter when the funding situation improves.

In the meantime, the hospital is still utilising the facilities in Nyanza Provincial Hospital and Moi Teaching and Referral Hospital under the Ministry's referral strategy. This is not a situation we are very happy with. If funds were available, a CT scanner is necessary equipment that this hospital needs.

Dr. Otichilo: Mr. Speaker, Sir, I wish to thank the Minister for giving me a very comprehensive answer to this Question. However, I am very concerned that the provincial hospital in a province like Western, with a population of over 6 million, has no ICU facility. In his answer, the Minister said that they will consider providing the same facilities in the next financial year. I would like him to confirm what is going on. Could he tell the House how much money has been allocated for the preparation of these facilities, so that come the end of this financial year, we can have an ICU facility at Kakamega for Western Province?

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I doubt very much that Western Province has 6 million. However, that notwithstanding, we have started refurbishing a building to put in an ICU. That refurbishment will continue. We will factor in a proper Budget next year to complete the ICU. This is an undertaking I am giving the hon. Member. I am not just about to take him down the street of deceit.

Mr. Abdirahman: Mr. Speaker, Sir, we know that funds are never enough in Government circles. It is important that the Government seeks funding even from development partners. Time and again, we hear them say that they are looking for money from development partners. The financial year 2010/2011 is another time altogether. Could they consider looking for funding from development partners, so that they can fund such important facilities?

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, that is precisely what I said at the beginning – that Kakamega Provincial General Hospital is one of the 23 hospitals

nationwide that are currently benefitting from funding by the Netherlands Government for rehabilitation of hospitals, and that it is getting Kshs76.7 million in that regard.

Let me add that, although we do not have a CT scanner at the hospital, in the current financial year, we are providing the following equipment to the hospital: a water processing and distillation unit, a large water tank with a pump, a tools kit for a maintenance workshop, a power surge protector, six oxygen concentrators, an incineration plant, an X-Ray unit, three ultra-sound machines, one mammography unit and two automatic X-Ray processors with darkroom accessories. So, I do not think we are doing too badly in modernising Kakamega Provincial General Hospital, but that process will continue into the next financial year, so that that hospital becomes a truly referral medical facility, as we intend it to be in the next financial year.

Mr. Speaker: Mr. Washiali!

Mr. Washiali: Mr. Speaker, Sir, availability of oxygen is a standard requirement in all hospitals. Therefore, that should have been a standard requirement at Kakamega Provincial Hospital. Yesterday, we lost an accident victim from Mumias Constituency. This person died because the hospital did not have oxygen to support him up to Eldoret Referral Hospital. What is the Ministry doing to make sure that oxygen is available in this hospital?

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, the hon. Member is dead right. The best situation would be that every provincial hospital as a referral facility should not only have provision of oxygen, but also its own oxygen processing unit. We have an oxygen processing unit at the Moi Teaching and Referral Hospital which also supplies oxygen to a number of hospitals in Western Province. We intend to put six oxygen concentrators at the Kakamega Provincial Hospital during this financial year to serve that vicinity. In the end, we intend to do what we have done at Kenyatta National Hospital and Moi Referral Hospital to make sure that Kakamega and Kisumu hospitals and other referral hospitals have their own oxygen processing plants, so that they can supply the sub-district and health centres under them with oxygen cylinders.

Dr. Otichilo: Mr. Speaker, Sir, we know most of the buildings at the hospital are highly dilapidated. It is a pity that the Minister has only allocated Kshs12.5 million for their refurbishment. Is it possible for him to consider allocating more money during the supplementary estimates to this hospital, so that these buildings and equipment can be refurbished?

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I doubt very much whether we can do that through the supplementary budget. If Parliament so wishes, it can direct the Treasury to give us that money to do the necessary work at Kakamega Provincial hospital.

Question No.219

GOVERNMENT POLICY ON EXPANSION
OF UNIVERSITIES

Mr. Speaker: Hon. Members, at the request of the Member for Butula, Question No.219 is deferred to Thursday this week. Hon. Members, please, note that just like I have directed the Cabinet, any request for deferment of Questions or Statements has to be made at least two days before the due date. The request by the Member for Butula was

only made yesterday after the Order Paper was prepared. It will help us to save time if we all co-operate.

(Question deferred)

Question No.369

CONSTRUCTION OF FOOT BRIDGES AT
KIMENDE/NYAMBARI TOWN CENTRES

Mr. Njuguna asked the Minister for Roads if he could urgently consider constructing foot bridges at Kimende Township and Nyambari Trading Centre, considering that about 38 pedestrians have been knocked down and killed by speeding motor vehicles.

The Assistant Minister for Roads (Mr. Kinyanjui): Mr. Speaker, Sir, I beg to reply.

My Ministry is deeply concerned about the safety of both pedestrians and motorists, given that improvement of the road network has not translated into a commensurate reduction in road accidents.

I am aware of the motor vehicle accidents around Kimende and Nyambari Trading Centres, some of which have resulted into loss of human lives. I have, therefore, as an immediate measure, instructed my officers to install appropriate road signs and markings near the two centres in order to caution both pedestrians crossing the road as well as the speeding motorists. In addition, my Ministry is continuously monitoring all accident spots with a view to instituting the most appropriate measures to prevent the occurrence of the accidents.

Mr. Speaker, Sir, I also wish to table a list of the accidents we have had there in these two sections for the last three years.

*(Mr. Kinyanjui laid the document
on the Table)*

In 2007, we had 21 fatal cases, 40 serious injuries and 34 slight injuries. In 2008, we had 29 fatal cases, 24 serious injuries and 47 slight injuries.

In the first eight months of 2009, we had 19 fatal cases, 24 serious injuries and 44 slight injuries. It is obvious that the number of accidents is on the rise. My Ministry will do everything possible together with the community there to ensure that we stop this trend.

Mr. Njuguna: Mr. Speaker, Sir, while I appreciate the response given by the Assistant Minister, I urge him to note with a degree of seriousness that we have lost many people along this Nyambari-Kimende Road through accidents. In 2007, we had 21 deaths at Nyambari. In 2008, we had 29 deaths. Within the first 8 months this year, we have lost 29 people. Is the Ministry serious and concerned about the loss of this number of innocent people, whose lives have been wasted along this road?

Mr. Kinyanjui: Mr. Speaker, Sir, there may not be a direct question arising from the hon. Member, but I also wish to add that we have been trying to conduct a survey in

order to understand the causes of accidents, specifically in all the black spots. Nyambari and Kimende are black spots. We have realized that most of the accidents involve pedestrians. They happen during the daytime and as members of the public cross the road to board public service vehicles or go to the market. Therefore, we urge the communities around these areas to look at the possibility of constructing a market on the other side of the road, so that we can reduce the number of people crossing the roads.

We should also recognize that there are many trading centres and markets across the roads along the international trunk lines starting from Nairobi to Busia. If we were to construct foot bridges in all these areas, we would require over 200 foot bridges. It is important that we realize that reducing accidents in all these places is the responsibility of all of us, including the people who live in these areas.

Mr. Mbugua: Mr. Speaker, Sir, it has become a trend in places where foot bridges have been built for pedestrians to pass under them. What is the Ministry doing to ensure that pedestrians cross the roads using foot bridges throughout the country? The Ministry should also consider deploying---

Mr. Speaker: Order, Mr. Mbugua. You have asked one question.

Mr. Mbugua: I beg your indulgence, Mr. Speaker, Sir.

Mr. Speaker: No, this is time for supplementary questions.

Proceed, Mr. Assistant Minister.

Mr. Kinyanjui: Mr. Speaker, Sir, I hope I have understood the question well. I wish to say that it is quite obvious that most of the foot bridges that we have built are not actually being used by our people, partly because of insecurity. There are certain parts of this country where foot bridges have been built, but if you use them, you do so, at your own risk. So, I think there are many issues involved. We, as a Ministry, want to do an awareness campaign because our safety and that of the people around us, is everybody's responsibility. The Ministry cannot enforce or come up with laws that will stop people from crossing the road at dangerous spots. It is a matter that calls for everybody's efforts, including the police and members of the public in general.

Mr. Manyara: Mr. Speaker, Sir, given the fact that the number of people dying per year because of road accident is increasing, would the Assistant Minister agree with me that one of the quickest ways of resolving this issue is the immediate re-introduction of the "Michuki rules" to reduce over speeding on the roads.

Mr. Kinyanjui: Mr. Speakers, Sir, I agree with the hon. Member that the "Michuki rules" substantially reduced the number of accidents in the country, especially with regard to speed limits. If drivers were to drive at acceptable limits, then the possibility of accidents is greatly reduced. I want to concur with the hon. Member that the re-introduction of the "Michuki rules" would definitely bring a remarkable reduction. Clearly that does not fall within my Ministry.

Eng. Maina: Thank you, Mr. Speaker, Sir. Since Kimende Town was there when the road was being constructed, I take it that it was an error in design and planning. Could the Assistant Minister confirm when they are going to correct the error? When are they going to construct this particular foot bridge?

Mr. Kinyanjui: Mr. Speaker, Sir, it may not be very accurate to say that there was an error in the design. At the time when the road was built, the population in that particular area was not as high as it is today. Therefore, at that time, the concerns were

very different. However, I think what is important is the way forward. We have agreed, as a Ministry, we will take remedial measures to ensure that the accidents are reduced.

Mr. Olago: Mr. Speaker, Sir, if you look at the number of times this Assistant Minister takes to answer questions relating to erection of road bumps and foot bridges, it is just amazing. Taking into consideration the fact that when roads are being constructed, it must be anticipated that the population in the market centres will increase, what is the policy of the Ministry in designing foot bridges and making them part of the road designs and not *ad hoc* solutions?

Mr. Kinyanjui: I agree with the hon. Member that there is need for us, every time we want to construct a road, to also take into account the pedestrians and other road users. If you look at the roads that have been done recently, including even here in Nairobi, we are doing the foot paths, the foot bridges and all the other appendages that are required. But this road was done in the 1960s and the concerns then were different. But all roads that are being designed today are taking into consideration the issues raised by the hon. Member.

Mr. Njuguna: Since the Assistant Minister has agreed that indeed there have been two or three fatal accidents, and as we are speaking right now, we have one dead person at Kijabe and another one critically injured, could he consider providing a footbridge to contain further injuries along this road? If action is not taken immediately, it is likely the entire human traffic on that road will be eliminated and by the time the Ministry decides to come, all the people would have been finished along this road. Could the Assistant Minister be serious now?

Mr. Kinyanjui: We appreciate and sympathize with members of the public who lost their lives or have been injured in this section of the road. However, our Ministry operates on a limited budget. We may not be able to put up foot bridges when they have not been budgeted for. But I want to assure this House that as soon as funds are available, we will ensure that this section of the road is provided with the necessary foot bridge to reduce road accidents.

Mr. Speaker: Fair enough. Next Order! Are there any Statements ready for today? There are a number pending, two from the Ministry of Lands. The Assistant Minister for Lands, you have two statements which have been pending since July, 2009. Any response from the Ministry of Lands? Hon. Bifwoli, since you appear not to have been present though physically here, could you, please, check to see that Statements which were due in July, 2009 are prepared and brought to the House?

The Assistant Minister for Lands (Mr. Bifwoli): Mr. Speaker, Sir, I had even written to the administration in the Ministry of Lands and they had no information. We have agreed with Mr. Wamalwa that I issue the Statement on Tuesday next week.

Mr. Speaker: Fair enough! Mr. Wamalwa sought two statements. Next Statement, Mr. Samoei!

MINISTERIAL STATEMENTS

PRIVATIZATION OF PUBLIC SECTOR OWNED SUGAR COMPANIES

The Minister for Agriculture (Mr. Samoei): Thank you, Mr. Speaker, Sir, for giving me an opportunity to make two very brief statements. I want to make a statement on the progress that we have so far made on the Privatization of the Public Sector owned sugar companies.

The sugar subsector supports approximately six million Kenyans. It is a major source of income to these Kenyans. Following the launch of the free trade area, on 31st October, 2000 by members of the Common Market for Eastern and Southern Africa (COMESA), Kenya, due to the state of unpreparedness of the sugar industry, applied for protection of the sector by way of safeguards under Article 61 of the COMESA Treaty. The safeguard was granted for a period of four years from the end of 2008 and is due to expire in 2012. As part of this requirement, the country is expected *inter alia* to undertake very viable steps towards the privatization of the public owned mills by November, 2009. So far, the following steps and actions have been undertaken: -

On 11th of December, 2008, I laid on the Table the privatization programme in the Cabinet and it was approved.

On 20th May, 2009, we signed a contract with a consultancy firm, Ernst and Young consortium. The Privatization Commission signed on behalf of the government.

On 2nd July, 2009, the consultant's inception Report was presented to the Privatization Commission outlining the key issues and project time table.

On 21st to 23rd of July, 2009, the Privatization Commission and members of the sugar companies made a familiarization visit and had meetings with the Boards of Directors' Management and leaders of out growers associations.

I expect to receive a due diligence report by the consultants on 1st September, 2009, for onward transmission to the Cabinet, detailing the works that are going on now, operational, financial, legal and technical analysis. We have reduced the due diligence from six months to two months. There is also assessment of financial, technical, agricultural and human resource needs of each sugar company. We have also embarked on a detailed analysis of alternative privatization approaches and preparation of recommendations on the best option to mobilize the required resources.

Lastly, there is a detailed preparation of restructuring proposals for each of the sugar companies, including proposals for write off of excess debt. I will just list briefly the time table that is going to guide this exercise from when I receive the due diligence report. On 27th October, 2009, we expect to submit enterprise analysis and due diligence reports, market research reports, social economic reports, restructuring plans and indicative valuations. During the same month, we expect to submit the same proposals, a privatization strategy and method report. We also intend to submit the proposed amendments to the relevant laws, memoranda and articles of association and other company documents during the same month of October.

This will be necessary to facilitate the smooth privatization of the various public owned sugar companies. I intend to submit a detailed privatization proposal to the Cabinet in November this year. The same month, after the Cabinet has gone through the proposal, I intend to Table a Sessional Paper on write-off of excess debt and amendments of Acts of Parliament, to this House.

Mr. Speaker, Sir, I also intend to submit a valuation report and reserve price for consideration. In January next year, we intend to do the pre-qualification exercise for bids of the various sugar factories. In February the same year, we intend to submit revised

transaction implementation report, final bid documents, information on memoranda and prospectus, sale agreements amongst other documents and a final valuation report and sub-price report and pre-qualification report. We intend to conclude this exercise in May next year in readiness for preparation of our sugar companies for competition by 2012.

Mr. Speaker, Sir, I am still within the seven minutes and I intend to make a Statement---

Mr. Speaker: No, you are not!

The Minister for Agriculture (Mr. Samoei): Just give me two minutes, Mr. Speaker, Sir.

AUCTION OF COMESA SUGAR IMPORTATION QUOTA RIGHTS

Mr. Speaker, Sir, the rules that existed before 2008, promoted opaque and corrupt practices in the importation of sugar, especially the sugar under COMESA arrangement. I revoked the rules that existed then and gazetted new rules. Although some private sector players took us to court, the court ruled in favour of the Government. Last week we managed to successfully auction the rights to import COMESA sugar using the quota and 20 companies out of the 86 that applied were successful. I am laying on the Table of this House a list of the companies that participated in the bid and those that were successful.

(Mr. Samoei laid the documents on the Table)

Mr. Speaker, Sir, the Government, through this process will raise Kshs--- May be it is important for me to inform the hon. Members the reason we gazette the new rules. The new rules are beneficial in three respects: They give a transparent, accountable, competitive process for allocating the COMESA quota.

Secondly, it gives an opportunity for the industry to share in the super profits that are made by traders through the arms bids contributed to the SDF.

Thirdly, it gives a predictable environment for planning purposes for both the miller and traders arising from the staggering of the quantity into specific quotas.

Mr. Speaker, Sir, the Government will raise Kshs660, 960,131 from the auction of these rights. This money will go into the Sugar Development Levy (SDL) for purposes of assisting our farmers acquire farm inputs, sugar development, among other things.

Mr. Speaker: Who are the Members interested in seeking clarifications?

Mr. Linturi, please, proceed!

Mr. Linturi: Mr. Speaker, Sir, could the Minister clarify whether in his view it is prudent to privatize these sugar companies at this time when most of them are running or operating at very serious deficits? If this is to happen, which specific sugar companies is he referring to?

Dr. Eseli: Mr. Speaker, Sir, could the Minister clarify that in the process of privatization of these companies the out-grower farmers of these companies, for example, Nzoia Sugar Company, will be given priority in buying the shares?

Mr. Konchella: Mr. Speaker, Sir, could the Minister clarify that in the process of privatization, a company that employs so many Kenyans and can control or manage the economy of this country should be privatized in such a way that resources are distributed

to the people of Kenya? The moment a cartel and a few rich people buy these shares, Kenyans are going to be poorer. They will just be workers.

Could the Minister, as a matter of policy ensure that it is distributed and the wealth of this country is owned by the people of Kenya not a few individuals?

On the issue of South Nyanza (SONY) Sugar Company, I would like the out-growers in my district to own 20 per cent of any likely share sale. If they do not do so, they may not necessarily support the company in future.

Mr. Speaker: By reason of the constituency you represent, we will make the exception and allow Mr. Washiali to seek clarification.

Mr. Washiali: Mr. Speaker, Sir, I would like to thank the Minister for what he is doing for the sugar sector. In the process of privatizing the sugar factories, could the Minister encourage the companies to go into producing industrial sugar? In this year's Budget, the Minister for Finance decided to remove SDL on imported or industrial sugar. This is something we are going to contest. However, in view of the Minister privatizing the sugar companies, could he encourage them to go into production of industrial sugar?

Mr. Speaker: Mr. Minister, you may now respond!

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, starting with the last Member, I want to tell him that the privatization of these sugar companies is informed by diversification of the products that come out of the sugar factories. The reason we are privatizing these sugar companies is because we want them to be competitive. Part of the competition will be in product diversification, including what the Member has said; production of industrial sugar. So, companies and investors who will be prepared to broaden or expand product base will have an edge over those who would want to produce the traditional products that are already in the market.

To answer the other questions, yes, the farmers will not only have a special place but will also have preferential shares that will be set aside for them. We do not want a situation where farmers are reduced to mere producers. We want the farmers to participate even as investors in their own sugar companies in areas of their locality. This exercise will equally be informed by the input of this House when the Sessional Paper comes. We will ensure that the interest of Members here, as representatives of the sugar cane growers, is taken into account.

Mr. Speaker, Sir, there could not have been a better time to privatize the sugar companies. In fact, this privatization process is ten years behind schedule.

That is why we have asked for safeguards. If we did not ask for safeguards, all our sugar companies would have collapsed because they were not in a position to compete with sister sugar companies in the COMESA countries. Therefore, there is only one direction to go; that is, to make our sugar companies competitive by ensuring that we broaden their product base and do co-generation and product diversification and bring in the expertise of the private sector into the management of sugar companies. Those are the issues that were raised.

Mr. Speaker: Fair enough. Hon. Members, the Ministerial Statement by the Minister of State for Provincial Administration and Internal Security will be deferred to Thursday because the sponsor of the request is not in the House and he did not have notice that it would be ready today.

We will move on and take requests.

Mr. Olago: On a point of order, Mr. Speaker, Sir. There was a Statement from the Minister of Justice, National Cohesion and Constitutional Affairs who happens to be here. I think he is ready with the statement.

Mr. Speaker: Order! Fair enough! But this is a Supply Day. We are supposed to go to the next order not later than 3.30 p.m. If we have any reason to exceed those 10 minutes, then we should not do so by more than 10 minutes.

Hon. M. Kilonzo, I do not know how long you had prepared to take.

The Minister for Justice, National Cohesion and Constitutional Affairs (Mr. M. Kilonzo): Thank you, Mr. Speaker, Sir. My Statement is six pages of widely spaced material---

Mr. Speaker: You cannot do a six page document in 10 minutes! However, hard you try; I know that, that is not possible!

The Minister for Justice, National Cohesion and Constitutional Affairs (Mr. M. Kilonzo): Mr. Speaker, Sir, I appreciate that. I just wanted to be honest with you. The Governance, Justice, Law and Order Sector (GJLOS) Reform Programme is such a critical thing in this country. I would rather do this with sufficient time.

Mr. Speaker: Can we give it special time and do that on Tuesday next week?

The Minister for Justice, National Cohesion and Constitutional Affairs (Mr. M. Kilonzo): Much obliged, Mr. Speaker, Sir.

POINTS OF ORDER

STATUS OF EXTERNAL PUBLIC DEBT

Mr. Imanyara: Mr. Speaker, Sir, I have had an outstanding matter with the Office of the Deputy Prime Minister and Ministry of Finance regarding external debts. I have been given undertakings on two occasions that these would be provided. Now that the Minister is in the House, could he indicate when these will be provided?

Mr. Speaker: Mr. Deputy Prime Minister and Minister for Finance, this matter has been pending for some time, according to my records.

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Speaker, Sir, if I recall well the meeting we had in your office on this matter, we agreed that external debts are contained in the audited accounts that we produce. There is no other *per se* debt register except the individual debt record available at the Treasury as I explained. Unless I brought a whole two rooms of documents, it is impossible to bring that forward. I seek your guidance on this matter because we deliberated at great length.

Mr. Speaker: I can recall that matter. However, we want the records to be settled in some form because this request had been made earlier by Mr. Imanyara.

Mr. Imanyara, could you indicate what you had in mind when you raised this matter?

Mr. Imanyara: Mr. Speaker, Sir, I appreciate the meeting we had. However, it was not in respect to only supplying the information but to allow the Deputy Prime Minister and Minister for Finance sufficient time to concentrate on the Budget. What is contained in the Controller and Auditor-General's Report are extracts. I am asking for the actual figures, no matter how many. He could even indicate to me when they will be

made available at the Treasury and I can organize to spend a day or two there to look at them together with my staff.

Mr. Speaker: Fair enough! Mr. Deputy Prime Minister and Minister for Finance, could you indicate when these records could be made available?

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Speaker, Sir, I will have no problem. Any time at the convenience of the hon. Member, we can just make arrangements with the Debt Department and he can avail himself---

Mr. Speaker: Could you make them available effective Thursday this week?

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Not before the House but at the Treasury---

Mr. Speaker: At your offices!

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Perfect! That is possible!

Mr. Speaker: Hon. Imanyara, as soon as you have extracted the requisite information, if there is something you want to share with the House, please, lay your findings on the Table.

Mr. Imanyara: Mr. Speaker, Sir, I welcome the invitation. I will be there on Thursday together with my advisers, as I said.

Mr. Speaker: Thursday afternoon beginning from 2.30pm.

EFFECTS OF STRIKE BY KENYA AIRWAYS STAFF

Mr. Mungatana: Mr. Speaker, Sir, I stand on a point of order to request for a Ministerial Statement from the Minister for Transport and Communications on the effects of the strike that has just been concluded by the Kenya Airways staff, the national carrier.

First of all, on the staff, these are highly qualified and skilled staff. Some of them have earned international awards. Could the Minister confirm or deny that the staff of the Kenya Airways are being paid in accordance with international standards?

Could he lay on the Table the collective bargaining agreement that has been reached recently? Could he confirm in this House that none of the workers who participated in the industrial action will be victimized?

Finally, what were the losses incurred by the investors of Kenya Airways, the national carrier? What is the profitability status of Kenya Airways as it stands today? What is the Minister doing to avert such ugly industrial action in future involving the national carrier?

Mr. Speaker: Minister for Transport, when can you avail that Statement?

The Minister for Transport (Mr. Mwakwere): Mr. Speaker, Sir, in response to your question, I would like to make a point of clarification.

Mr. Speaker: It is a request for a Ministerial Statement and he has identified eight areas that he wants you to deal with.

The Minister for Transport (Mr. Mwakwere): Mr. Speaker, Sir, allow me to make a clarification so that the hon. Member may decide.

One, industrial relation matters have nothing to do with the Minister for Transport in this context. It is the Ministry of Labour which is in charge of Industrial Relations

Acts, the Labour Acts and the Industrial Courts. Therefore, I am unable to do justice in that line.

Secondly, he directed his request to the “Minister for Transport and Communications” and yet there is no such a Minister. There is a Minister for Transport and there is a Minister for Information and Communications.

Three, yes, I am in a position to give figures or statistics relating to the losses and gains of the strike. That is under the Ministry of Transport and I can do that as early as Thursday.

Mr. Speaker: Fair enough! Mr. Minister, with regard to the directions you seek, I direct as follows. First, that Statement pertains to a matter of great national importance. You are under duty to inform Kenyans what transpired, what led to the strike and how you are dealing with the consequences of the strike. Mr. Minister, you will have to find information wherever you can, invoking the doctrine of collective responsibility. You can find issues pertaining to the strike from the Ministry of Labour. It is the expectation of the Chair that Ministers are holistic in their approach to their various duties.

(Applause)

The Minister for Transport (Mr. Mwakwere): Mr. Speaker, Sir, your orders are accepted without question. The Ministerial Statement will be issued on Thursday.

Mr. Speaker: Fair enough! It is ordered that the Ministerial Statement will be issued on Thursday.

Yes, Mr. Olago!

STATE OF INTERNATIONAL INSTRUMENTS
RATIFIED BY GOVERNMENT

Mr. Olago: Mr. Speaker, Sir, I rise to seek a Ministerial Statement from the hon. Attorney-General on the state of international instruments which have been ratified by our Government. I am doing this because when I made an effort to get these details from the Ministry of Foreign Affairs, I was told that they only have half of the instruments and the other half is with the Attorney-General who told me the same thing. The Ministerial Statement I am seeking should address the following issues:-

1. The list of all international instruments that have been ratified by our Government;
2. The list of international instruments which have been ratified and also domesticated by our Parliament; and,
3. The action the hon. Attorney-General will take to ensure that Parliament’s approval is sought and obtained before the Government commits our country to the international instruments.

Mr. Speaker: Fair enough! The Minister for Justice, National Cohesion and Constitutional Affairs, could you give an undertaking on behalf of the Attorney-General?

The Minister for Justice, National Cohesion and Constitutional Affairs (Mr. M. Kilonzo): Mr. Speaker, Sir, I undertake that I will alert the Attorney-General.

Mr. Speaker: When?

The Minister for Justice, National Cohesion and Constitutional Affairs (Mr. M. Kilonzo): Mr. Speaker, Sir, I will request him to issue the Ministerial Statement on Tuesday, next week.

Mr. Speaker: On Wednesday, next week!

The Minister for Justice, National Cohesion and Constitutional Affairs (Mr. M. Kilonzo): Fair enough, Mr. Speaker, Sir.

Mr. Speaker: Let us move on to the next Order!

Hon. Members, please note that we will continue sitting until 9.40 p.m.

Yes, Mr. Deputy Prime Minister and Minister for Finance!

COMMITTEE OF SUPPLY

*(Order for Committee read
being Tenth Allotted Day)*

MOTION

THAT THE SPEAKER DO NOW LEAVE THE CHAIR

Vote 07- Office of the Deputy Prime Minister
and Ministry of Finance

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Speaker, Sir, I beg to move that the Speaker do now leave the Chair.

May I take this early opportunity to thank the House and Members of Parliament for affording us the opportunity to move the Vote for the Ministry of Finance. Further, I thank the Chair and the Members of the Departmental Committee on Finance, Planning and Trade for having constructively discussed this Vote when I presented the same before them.

Mr. Speaker, Sir, before I present to the House the Ministry of Finance Budget for 2009/2010 Fiscal Year, allow me, as a guide, to give the mandate of the Ministry as set out in its Vision, which is; "To be a world class institution in economic and financial management." To realise this Vision the Ministry has set its Mission which is;

"The creation of an enabling environment for accelerated sustained economic growth through pursuit of prudent economic, fiscal and monetary policies and co-ordination of Government financial operations."

Mr. Speaker, Sir, during the period under review, the Ministry in collaboration with stakeholders and with a view to enhancing financial management in the public sector, carried out a number of reforms under the following key areas.

- (a) Tax modernization.
- (b) Public expenditure and financial management.
- (c) Procurement.
- (d) Privatization and parastatal management.
- (e) Competition policy and law.
- (f) Financial sector restructuring and management.

(g) Pension management.

(h) Business licensing.

I would like to inform the House that these reforms are, indeed, at an advanced stage of completion.

Mr. Speaker, Sir, on the budgetary requirement for the Ministry for the Financial Year 2009/2010, the Ministry will require a gross budget provision of Kshs43,335,000,000 to cater for its programmes, projects and activities. Out of this total, Kshs849 million will be financed through Appropriations-in-Aid, leaving a balance of Kshs42,486,000,000 to be financed from the Ex-chequer. These funds will be applied on the following priority areas. With regard to expenditure, the Ministry of Finance is implementing three major programmes in the current financial year. These include:-

1. Public financial management. The public financial management programme involves formulation and implementation of policies relating to mobilization, allocation and management of public financial resources. It also serves as a co-ordination hub for the preparation of the annual Budget in liaison with other Government Ministries, departments and agencies. The programme will require a total net provision of Kshs30,900,000,000 during the current financial year.
2. Development and stabilization of the financial sector. This programme involves the development of a strong and stable financial sector to facilitate economic development. This will entail supervision and regulation of banking, capital markets, retirement benefits and insurance sector. This programme will require a total net provision of Kshs1,447,000,000 during the financial year.
3. Promotion of investments, private enterprise and competition. This programme involves creating an enabling environment for the private sector participation in economic development. This will entail the provision of incentives in economic development to investors, implementation of regional and international economic co-operation agreements, removal of unfair trade practices and barriers to trade and investment as well as consumer protection. The programme will require a total net provision of Kshs10,139,000,000 during the financial year.

Mr. Speaker, Sir, the Ministry will, therefore, require a total of Kshs20,104,000,000 to finance its Recurrent activities and Kshs22,382,000,000 to finance its Development activities. The detailed breakdown of this expenditure categories are as follows.

On Recurrent Budget, there will be personnel emoluments - Kshs1.351 billion; operations and maintenance - Kshs4.715 billion; grants and transfers - Kshs10,038,000,000 and budget and contingency measures - Kshs4 billion. This gives a total of Kshs20,104,000,000.

The amount of Kshs4,715,000,000 will cater for the Ministry's operational and maintenance expenditure and is allocated on various expenditure heads. The grants and transfers are funds to be utilized by various state-owned enterprises which help the Ministry meet its mandate, subscription payments to regional and international organizations and the national reform initiatives as follows. Kenya Revenue Authority - Kshs7.1 billion; Agenda Four reforms - Kshs2 billion; Public Procurement Oversight Authority - Kshs245 million; Kenya Investment Authority - Kshs235 million; Privatization Commission - Kshs160 million; State Corporations Appeal Tribunal -

Kshs19.3 million; Public/Private Partnership Secretariat - Kshs50 million and subscriptions - Kshs183.8 million.

The Budget and Contingency Reserve totaling Kshs4 billion comprises the following; Kshs2 billion for general contingency that could not be foreseen during the budgetary process and Kshs2 billion for drought and famine relief.

Mr. Speaker, Sir, it should be noted that due to the central nature of my Ministry, a number of policy interventions are budgeted for under this Vote as part of the budget for operations, maintenance, grants and transfers highlighted above for the financial year. This include Kshs2 billion for Agenda Four. The Chair will recall that on 11th June, 2009, while presenting the National Budget to the National Assembly, I indicated that the Treasury had allocated Kshs2 billion towards the implementation of reforms under Agenda Four.

Mr. Speaker, Sir, Kshs500 million will cater for centralizing purchasing of vehicles as outlined in my Budget Statement and Kshs700 million for payment of Duty for Kenya Revenue Authority (KRA) for approved Duty exemptions on imports and exports of commodities targeted at the disciplined forces and the less fortunate members of our society. Kshs480 million for group personal accident insurance cover for all Civil Servants and Kshs330 million to cater for the write-off of losses incurred by the Government through import clearance activities over the years. That is in implementing the Public Accounts Committee (PAC) recommendation in its 2004/2005 Report that the Fund be wound up, and Kshs50 million for the establishment of a public-private partnership secretariat.

Mr. Speaker, Sir, it should be noted that out of a total of Kshs20,104,000,000 provided under the Recurrent Vote of the Ministry, only Kshs2,010,000,000 will be for operations and maintenance and Kshs1,351,000,000 for personnel emoluments relating to the Ministry's specific activities, while the remaining is being held to fund wider Government operations.

With regard to the Development Budget, the Ministry will require a net amount of Kshs22,382,000,000 to undertake the planned development activities earmarked for the financial year as detailed hereunder: The Government of Kenya (GoK) funded projects-Kshs17,294,000,000; loan revenues Kshs4.266 million; grants and revenues-Kshs822 million, giving a total of Kshs22,382,000,000. Under GoK funded projects, the following specific projects are planned for execution during the financial year under focus: Kshs2 billion will be required for the resettlement of Internally Displaced People (IDPs), Kshs500 million will be required to fund the revenue collection modernization projects for the KRA. My Ministry has budgeted Kshs1.4 billion as equity participation in regional financial institutions including the African Development Bank (ADB) with Kshs500 million, the East African Development Bank (EADB) with Kshs720 million and the Preferential Trade Area Bank (PTA) with Kshs197 million.

The Ministry has budgeted Kshs250 million as the Government's contribution towards capacity building fund at the African Economic Consortium. Kshs75 million has been budgeted for the development of installation of electronic monitoring and evaluation system (E-Promise). Kshs400 million has been budgeted for the first phase of the construction and equipping of the data recovery centre at Naivasha. Kshs488.5 million has been budgeted for the finalization of the Local Area Network (LAN) to the district Government offices. Kshs230 million has been budgeted for the upgrade and

maintenance of the Integrated Financial Management Information System (IFMIS). Kshs3.5 billion has been budgeted for the design and seed money for the construction of the standard gauge railway system from Mombasa to Nairobi which is the first phase of the real development of the railway. Kshs1.5 billion has been budgeted as a capital transfer to KenGen to help it enhance electricity generating capacity in the face of the prolonged drought.

Mr. Speaker, Sir, as outlined in my Budget Statement, the Ministry will require Kshs2 billion towards the initiation of the irrigation projects in various parts of the country for the production of rice and maize to overcome the current food shortage in the country.

As the Government continues to privatize State Corporations, it should also be remembered that some restructuring is required to make the parastatals attractive to strategic investors. In this regard, the Ministry is requesting a total of Kshs3.65 billion to be transferred to various State Corporations including the Kenya Petroleum Refineries Limited, Kshs100 million; Pan Paper Mills, Kshs500 million; National Housing Corporation (NHC), Kshs250 million, Telkom Kenya via a loan, Kshs2.5 billion; KenGen tariffs subsidy Kshs300 million, amongst others.

Mr. Speaker, Sir, the Ministry has budgeted Kshs200 million towards hiring transaction advisors for the ongoing privatization programme which will include, amongst other things, the National Bank of Kenya (NBK), Kenya Wines Agency Limited (KWAL), the sugar companies, the national hotels. This is a programme which will eventually need the approval of this House. Kshs300 million has also been budgeted for the acquisition of land for the expansion of port facilities in Mombasa by the Kenya Ports Authority (KPA). Kshs165 million has been budgeted as a capital transfer to the Kenya Investment Authority (KIA) to cater for their regional expansion programme including the one-stop shop in Nairobi.

The Ministry has also budgeted Kshs434 million to cater for counter-part funding for donor-funded projects. Having outlined the programmes that my Ministry will undertake during the Financial Year, I wish to confirm that the funds requested will be utilized efficiently and effectively as approved by the House. The Ministry will strive to uphold good governance in the delivery of services.

With those few remarks, I now seek the approval of this House for my Ministry to spend the sum of Kshs43,335,000,000 to finance both Recurrent and Development Votes for the 2009/2010 Financial Year.

I beg to move.

Mr. Speaker: Who is seconding?

The Minister for Industrialization (Mr. Kosgey): Mr. Speaker, Sir, I beg to second. First, I would like to commend the Deputy Prime Minister and Minister for Finance, for a very wonderful job that he is doing at Treasury. We know that the amount of money available for various development programmes and Recurrent Expenditure is not a lot. We have a Budget of Kshs700 billion and the demand on that money is quite a lot. I think what they are doing in Treasury in trying to allocate money to various needs is quite a commendable job.

The Ministry is requesting for slightly over Kshs43 billion for quite a number of projects for both Recurrent and Development Expenditure. I was just laughing as I was seated here. Compare that to what I was requesting the other day; about Kshs3 billion. I

think mine was just peanuts. I would like to commend KRA for the work they have done in increasing revenue collection. The coverage now is quite good and quite commendable. I do remember that way back in 2002 we were having a revenue collection of under Kshs200 billion but now we are just under Kshs500 billion. This is good improvement and good effort. We wish to ask them not to sometimes harass taxpayers too much. All Kenyans should learn that it is our duty to pay taxes without being harassed. So, we should all pay taxes.

Mr. Speaker, Sir, regarding the Public Procurement Advisory Board, sometimes when people tender and they do not win, they wait until the last 14 days then they use the Board to block other people from winning tenders because they were not competitive or for some reason they did not win the tender. That reverses the whole process. If it is something that you have processed for the last six months, you have to repeat it because one individual appealed to the Board. So, the Board should be very careful and ensure that everything they receive as an appeal is looked at very closely before anything is done.

Mr. Speaker, Sir, we should encourage the public-private partnership. However, we need to be careful because we do not really want a situation where the Government again goes into some partnerships of whatever sort. We should not be seen to be financing the private sector. I have in mind a programme which is under my Ministry, and the Minister knows about it, where the World Bank has given money for the support of the private sector. It is called the Private Sector Development Programme (PSDS). The money from the World Bank is being administered through a private sector partner and you find the money is going to support that partner yet is not the partner that needs the support. So, we should tailor it in such a way that it benefits wananchi and not the so-called private sector partner.

With respect to the Kenya Investments Authority (KIA), which authority I thought should have been in my Ministry anyway but since investors are all being taken care of by the Treasury, this one-stop shop which for a long time we have said we are going to set up, wherever investors come and they also come to my Ministry, we have always encouraged them to invest in this country with the hope that we will set up the one-stop shop. So, it is about time that we set it up.

With respect to allocation of resources because it is one of the functions of the Treasury to allocate resources, we commend the steps being taken to devolve funds to the constituencies. We want this trend to continue to an extent that---

Mr. Speaker: Order, Mr. Kosgey! Your time is up!

The Minister for Industrialization (Mr. Kosgey): I have just started, Mr. Speaker, Sir! With those few remarks, I beg to second.

(Laughter)

(Question proposed)

Mr. Okemo: Mr. Speaker, Sir, I would like to support the Motion and comment that we have had extensive consultations between the Departmental Committee on Finance, Planning and Trade, and the Ministry of Finance. So, I am not really going into detailed discussions about numbers because we have gone through them in great detail

and suffice it to say that the numbers look fine. However, I would have expected the Minister, at the very outset, to show us how he spent the money for the financial year 2008/2009 in comparison to the Budget that was approved by this House. This was adequately done by the Ministry of State for Planning, National Development and Vision 2030. I think it is the kind of standard that we should set for this House that before we approve Votes, we would like to see a demonstration that there is the absorption capacity by the Ministry to spend the money that has been approved in their Vote. So, I hope that the Minister would do a lot of good for this House to let them know how his Budget approved in 2008/2009 was spent, both Recurrent and Development expenditure.

The other comment I would like to make is that I think the Kenya Revenue Authority is doing a great job and all Kenyans acknowledge that. Sometimes I think they are a little overzealous and they go overboard but I suppose they have been given performance guidelines and they are all trying to meet those performance deadlines. However, what the Minister should keep in mind is that for them to do the job, they need adequate financial support. I think the law specifies that they will get between 1.5 per cent and 2 per cent but the tendency has been closer to 1.5 per cent consistently rather than closer to 2 per cent. If we need them to perform and do their job effectively, we must give them sufficient financial resources. So, I would like to request the Minister to consider that.

We observed, as a Committee, that there is a problem in the Pensions Department but we noted with satisfaction that a new computer programme is underway to try and accelerate the backlog of all those pension applications that have been taking a long time to approve. We were promised that in the not too distant future, may be in a couple of months, we should see significant improvement in the payment of pensions. So, the Minister should, please, ensure that, that happens because many pensioners are going through difficult times trying to access their packages.

Mr. Speaker, Sir, the other point I wanted to observe is the economic stimulus package which the Minister included in his Budget. Our observation was that this stimulus plan should not be uniform across the board. I think the Minister would have done well to distribute this economic stimulus package in the same manner that the Constituencies Development Fund (CDF) has been allocated; that is using population and the Poverty Index (PI). A mix of the two will end up with a better distribution of the economic stimulus package.

I am glad that the Minister actually captured that a number of provisions that belong to different line Ministries have been budgeted and lumped in his Ministry but we understand the reasons for that. We hope that when the implementation programmes are finalized, the money will flow directly to the relevant line Ministries.

I heard the Minister refer to a Kshs500 million provision for Webuye Paper Mills. I think it is a known fact that we will need, at least, Kshs2.6 billion to be able to make Webuye functional. So, a provision of Kshs500 million is too small and I hope that this was just in order to capture the fact that this is required to be done but the difference between Kshs2.6 billion and Kshs500 million will be made available at the right time.

We observed, as a Committee, that the Minister has a provision of Kshs200 million for De La Rue. That is Government participation in currency production by De La Rue. Frankly, we are not satisfied and we are not quite convinced yet, but the Minister promised that he will come and engage the Committee. We would like to understand

what informs the Government on that decision, what the eventual position is going to be and how the public interest will be taken into account. I can see everybody talking about privatization. Privatization is exactly the opposite of what the Government intends to do in De La Rue. The Government is moving out of doing business but the Minister, I think, has noted that for strategic reasons, they would like to enter into some kind of private-public partnership arrangement with the De La Rue. But as a Committee, we are not convinced that that is the route to go. However, we are going to engage the Minister in that and we will be able to come up with a decision that the House will be informed about.

But it is important to note that the Report on the De la Rue--- Parliament is, right now, working on the De la Rue issue and that Report has not yet been tabled or debated.

Finally, Mr. Speaker, Sir, I want to talk about privatization. I was not in the House, but I was watching hon. Samoei on television talking about a very detailed program for privatization of the sugar sector. As he spoke, I got worried. It looked to me like his plan was at variance with the way the privatization program is supposed to be implemented. The law is very clear on how privatization is supposed to be carried out. There is a stage at which, once the Commission has formulated a program and it has been approved by the Cabinet, the next step is for the Minister to bring the program to the relevant House Committee for deliberation. That is the law. But from the way hon. Samoei was speaking it was like the Cabinet had approved and they are going ahead full scale. They have even got transaction advisors and all that. So, maybe, Mr. Minister, in your response, you will be able to shed some light to this House as to whether the Ministry of Agriculture operates according to the same rules of privatization or whether it is a unique case.

So, Mr. Speaker, Sir, I do think that the privatization program is important. It involves many organization and institutions that are not just in the agricultural sector, but also the finance and energy sectors. We want a Committee of Parliament to be fully engaged with the Privatization Commission, together with the Minister for Finance so that, before you go too far, we can have our input. Parliament must have its input through the Committee before the program can progress.

(Mr. Kenyatta consulted with Mr. Omingo)

Mr. Speaker, Sir, I do not know whether the Minister is listening to what I am saying. It is important for him to note. I know that hon. Oburu is taking notes.

Mr. Speaker, Sir, the important thing here is that the Ministry of Finance, besides us just debating their Vote, has a totally different role as defined in the Constitution. Their role goes way beyond just the Ministerial Vote. I do think that we need to look at their overall performance and mandate, which is to look at the economic and fiscal policy and also, together with the Central Bank, look at the monetary policy. But I do support the Vote and the Departmental Committee on Finance, Planning and Trade has been engaged with the Minister very, very deeply. That is why I really do not have a lot to contribute.

With those few remarks, Mr. Speaker, Sir, I beg to support.

Mr. Bahari: Mr. Speaker, Sir, I wish to support the Vote of the Ministry of Finance. But from the outset, I want to take up the issue of procurement. Towards the end

of the financial year, normally you will realize that in the last quarter or in the last few weeks, there is a rush by all Government departments to procure. When you try to find out, you will realize that in most instances, the Government is not getting value for money. This is very, very bad and, of late, it has become too much!

Mr. Speaker, Sir, that Ministry works so hard to collect that revenue. They even face more difficulties in trying to allocate the meager resources that they collect. The Ministry, therefore, should not allow, for whatever reason, money to be spent in a manner that does not give value! The Ministry must sit, without wasting a lot of time, at this early stage, and plan properly to ensure that Kenyans get value for their money.

Mr. Speaker, Sir, beside the last minute rush in procurement in the Ministries, the various departments in the districts go round hardware shops - even where they have not spent money - and end up committing funds. That is an injustice to the taxpayers and it must be stopped! In the normal procurement process, the Ministry should closely monitor what is happening. They must have a method of ensuring that Kenyans get value for their money. That is very important.

Mr. Speaker, Sir, related to that is the Public Accounts Committee (PAC), Public Investments Committee (PIC) and, perhaps, now, the Local Authorities and Funds Accounts Committee Audit Reports. The Treasury Memorandum is a very, very important instrument of ensuring compliance with Government financial rules and regulations. In the past, there has been a very generalized response to the issue of follow up. We have always heard: "This matter is being followed up with the Ministry concerned." The Ministry should now change from what it has been doing. It must take interest because the money that it has allocated has not been spent properly. It should make all the departments answerable.

Mr. Speaker, Sir, if that is not the case, why are we overzealous in chasing the taxpayers to bring that money, if we do not use the money that we have already been given properly? The taxpayers have a right to withhold tax, if we continue in that manner. Therefore, we should not have routine procedural answers to PIC and PAC reports.

Mr. Speaker, Sir, the Ministry of Finance must closely monitor--- I must admit that of late, the Central Bank of Kenya (CBK) has been keen and is closely following what has been happening in the market. It has looked into the issue of liquidity, the cash ratio in the banks and it has been able to respond appropriately. Although that has not borne any fruits, I believe that, maybe, within reasonable time, we should be able to see the effects of that.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, I want to, perhaps, applaud the Minister for intervening very quickly on the issue of Capital Markets Authority. Confidence is now being restored. At one point, it was becoming extremely shaky. We should be able to see more progress.

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

The Temporary Deputy Speaker (Mr. Imanyara): Mr.---

An hon. Member: Mr. Kigen.

The Temporary Deputy Speaker (Mr. Imanyara): Proceed, Mr. Kigen!

Mr. Kigen: Thank you, Mr. Temporary Deputy Speaker, Sir. I thought we were all familiar and known by the---

(Laughter)

The Temporary Deputy Speaker (Mr. Imanyara): It is only that I left my glasses.

Mr. Kigen: Thank you very much, Mr. Temporary Deputy Speaker, Sir. I stand to support the Vote of the Ministry of Finance. I have the following observations to make. That being a very crucial Ministry that oversees the operations or the release of funds to other Ministry to fund various projects, it is very important that those funds that you collect and allocate to various functions in the development of the country should be released as soon as it is practically possible. In the past, a lot of money has been returned to the Treasury at the end of every financial year. That is not doing justice to the people of this country. The Minister has stood here and talked about various allocations which have been set aside for purposes of streamlining operations and services that are expected of that Ministry. We hope that those allocations will be put into good use so that taxpayers can receive value for their money.

I am particularly happy that the Deputy Prime Minister and Minister for Finance, in his Budget Speech, introduced the Economic Stimulus Package that will see money being sent to the people at the grassroot through devolution of funds. Those people will now access the money and use it. I am happy with the money that has been allocated for purposes of setting up centres of academic excellence. This purpose can only be achieved if the money is released in good time. If we request for the same funds in the next financial year, people should see what the money has been used for in this financial year. If the money is released towards the end of the financial year then its effect will not be felt. We emphasise that the procurement and release of funds should be made more efficient so that we can get value for our money.

Mr. Temporary Deputy Speaker, Sir, I was also happy to hear the Deputy Prime Minister and Minister for Finance talk about money being allocated to infrastructure development, especially the first phase of the railway line from Mombasa to Nairobi. Roads and railways are very important infrastructure that can contribute largely towards the growth of the economy. If this can be done, then I can assure you that haulage--- If you look at the developed countries, you will find that railway transport is very important. It might not be generating a lot of profit, but if you look at the contribution it makes to the growth of the economy, you will be convinced that railway transport has to be enhanced. Our railway system was developed before Independence by the colonialists. We have not developed the existing railway line. I would like to congratulate the Deputy Prime Minister and Minister for Finance for thinking in that direction. I urge him to ensure that the money he has set aside for this noble task is put into that purpose as soon as possible. He should also ensure that the railway network is extended further.

I am disappointed that the roads in northern Kenya, for example, Garissa have not been tarmacked until today.

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

The Assistant Minister for Labour (Mr. Ojaamong): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Vote for the Ministry of Finance. This is a key Ministry which allocates funds to various Ministries. We appreciate that. Early this year or late last year, Members of Parliament tried to partner with the Ministry of Finance so that we can also be involved in the budget-making process. We wanted to put in our input. However, the Ministry was very reluctant and the media took it up and hit at Members of Parliament. The media accused us of wanting to “eat” that money. It is difficult for hon. Members to “eat” money because we are only after representing our people and seeing to it that they get value for their money. The involvement of the Budget Committee in this process will ensure that Kenyans get value for the taxes they pay.

There is a lot of wastage and theft of funds which we, the ordinary people, cannot detect. The accountants in the districts and the people in charge of audit are aware of this fact but they are reluctant to reveal this information. If you audited the various accounts in the district keenly, you will find that 60 to 80 per cent of the money is wasted or returned to the Treasury. I wish the Ministry could tighten auditing of funds in the various districts so that this money is not wasted.

Mr. Temporary Deputy Speaker, Sir, I come from a place where there are two entry points into Kenya and the Kenya Revenue Authority (KRA) officials do very well there. I am talking about the Malaba and Busia border points. It is unfortunate that the employees, from senior officers to casual employees like sweepers, are people from outside that area. My constituents ask me; “Why should the KRA bring people from very far to do even small jobs that can be done by the locals?” I appeal to the KRA to, at least, have some corporate responsibility by ensuring that clerical and *askaris* jobs go to the people around the entry points of Malaba and Busia. The KRA collects a lot of money from the Busia and Malaba entry points, but the people who live there get nothing. I hope that one day the KRA will put up a school there. This is because the KRA officials are treated well at those points. The KRA officials go about their work without being attacked. So, the KRA should plough back some of its money so that the people who live around the border points can contribute to nation building.

Recently, the Permanent Secretary, Office of the Deputy Prime Minister and Ministry of Finance said that he will form Committees to oversee the CDF Committees in the constituencies and yet the money from the CDF is too little. Why do they not form committees to oversee how almost Kshs800 billion that is left with the Ministry is used? Why do they want to form oversight committees to oversee only 2.5 per cent of their budget? Let us have our priorities right! This is the case and yet they keep on inciting the public that hon. Members are “eating” their money. We are not “eating” this money. You should table evidence that hon. Members misappropriate the money. Where does the Kshs700 billion go? We only take Kshs10 billion through the CDF. The Office of the Deputy Prime Minister and Ministry of Finance should have its priorities right.

Finally, with regard to the KRA, the public needs basic education in matters related to it. Some of us do not know which taxes we should pay. If you open a business, you operate in darkness. As a Member of Parliament who has gone to school, I find the KRA very mysterious. Let the KRA educate people so that they can understand the taxes

they are supposed to pay. Those of us who served in the last Parliament are supposed to be paid rebate right now and yet I cannot even fill in those forms. I wonder how an ordinary man can fill in those forms.

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

[Mr. Deputy Speaker took the Chair]

With those few remarks, I beg to support this Motion.

Mr. Deputy Speaker: Yes, Mr. Sambu!

Mr. Sambu: Thank you, Mr. Deputy Speaker, Sir, for giving me the chance to speak on the Motion on the Vote of the Office of the Deputy Prime Minister and Minister for Finance. I would like to state at the outset that I stand here to support the Motion.

In supporting the Motion, I would like to particularly thank the Deputy Prime Minister and Minister for Finance for the Budget he presented before this House, which, in my view, has revolutionised our thinking and created a lot of talk amongst our people. If we utilize it properly, it is a Budget that will support this country's development, particularly in the rural areas.

Mr. Deputy Speaker, Sir, the Budget was correctly called "an economic stimulus". There are a number of things I would like to comment on this Budget. First, we now have a lot of funds being channelled through various areas. The Deputy Prime Minister and Minister for Finance talked of funds that are to be channelled through the line Ministries, funds that are to be channelled through the Constituencies Development Fund (CDF) framework, and so on.

I hope that we will shortly get the rules and regulations that will be used, so that these funds can be released quickly to the various areas for their timely utilization. We can have a very good Budget but, because of lack of rules, the money will be withheld as time goes by, and by the end of the year, we will not have utilised the funds. So, it will be nice that the rules are in place, so that the funds can be released quickly to the various areas and be utilised.

Mr. Deputy Speaker, Sir, I also want to thank the Deputy Prime Minister and Minister for Finance for thinking seriously about this serious problem in Webuye – the Panpaper Factory. If we are talking of employment for our youth and growth of the economy of this country through the various factories and companies that depend on Panpaper Factory such as milk processing factories, cement factories, and paper converters, Panpaper Factory must be revived very quickly.

I am grateful that the Deputy Prime Minister and Minister for Finance has allocated Kshs500 million to start off the revival of the factory. I have also had a chance to speak with him. We agreed that Kshs500 million is not enough, and that we need Kshs2.6 billion. I have been given the assurance that this money will be available as time passes by. I would like him to actually confirm to this House, as he replies to this debate, that there will be further amounts of money that will be allocated to the tune of Kshs2.6 billion, so that Panpaper Factory will become functional very quickly, because the factory is not only an asset to this country but it is a major factory in Western Province, and particularly in Webuye.

Mr. Deputy Speaker, Sir, without this factory, the whole area is almost in darkness. Insecurity has become a problem. The youth have become a problem. With this amount of money, we will be able to absorb about 3,000 youths directly, and about 150,000 people indirectly. So, this is an asset. While I thank the Minister for the initial amount of Kshs500 million, I urge him that, in his concluding remarks, he confirms that this factory is, indeed, going to be supported until we open it. I hope that tomorrow, I will get a proper answer from the other Minister.

With those remarks, I beg to support.

The Assistant Minister for Livestock Development (Mr. Duale): Thank you, Mr. Deputy Speaker, Sir. I stand here to support the Vote of the Office of the Deputy Prime Minister and Ministry of Finance.

On the outset, I would like to join my colleagues in commending the good work that the Deputy Prime Minister and Minister for Finance, the Permanent Secretary (PS) and the technical teams of the various departments are doing.

Mr. Deputy Speaker, Sir, the Ministry of Finance is crucial in this country. It is the Ministry of Finance that does the collection and distribution of that revenue. It is the Ministry of Finance that follows up implementation, monitoring and evaluation of projects financed by those funds.

I want to say it here on record that the Deputy Prime Minister and Minister for Finance, Mr. Uhuru Kenyatta, has gone into history books for distributing these funds equitably through a devolved system. For the first time, through this financial year's Budget, Jua Kali sheds will be built throughout the country, roads constructed in every part of this country, and schools of excellence built in every constituency. Above all, road projects have been allocated money across the board.

Mr. Deputy Speaker, Sir, I was with the President and the Deputy Prime Minister and Minister for Finance yesterday when we launched the Hola and Bura Irrigation schemes under the Economic Stimulus Programme. Above all, today, the President, the Prime Minister, and the whole team, are in the north, where they are launching an emergency programme for the people of this country, who have been hard hit by drought and famine. The Kshs24 billion that has been given to the various line Ministries, through this emergency programme, have been provided by the Ministry of Finance. We must say it.

However, I have an issue with the aspect of implementation. I want to be very specific. The Ministry of Finance allocates funds to various Ministries. You will find that in all these Ministries, there is so much delay in implementation, particularly in projects take-off.

Mr. Deputy Speaker, Sir, I said it on the Floor of this House when the Minister for Energy asked this House to pass his Ministry's Vote, that a case in point is the Rural Electrification Programme (REP) that has allocated a substantial amount of Kshs17 million to a number of constituencies, including my Dujis Constituency in Garissa. I can say with certainty that none of the projects that have been prioritised by the community in my constituency in financial year 2009/2010 has taken off on the ground. I am sure that that is the situation across the board.

So, the moral question that we, as Members of Parliament, and the people of this country, would ask is: Why allocate funds to projects that will never take off, and which will overlap with the next financial year? The Ministry of Finance must be very strict in

following up implementation of projects for which they give funds to the line Ministries. I have seen this because I am an Assistant Minister, and I know what goes on in my own Ministry.

Mr. Deputy Speaker, Sir, number two is the Kenya Revenue Authority (KRA). I want to thank and commend the Commissioner-General, the Commissioner of Customs, the Commissioner of Income Tax and the rest of the team of the KRA because, over the last eight years, we have seen the streamlining of tax collection in this country. We have seen for the first time, this country's Budget for economic development drawn mainly from our own tax collection. So, I want to ask the Minister to fund the KRA with 2 per cent of the revenue collected, and not with the 1 per cent that they always get.

Finally, the Ministry of Finance must introduce an efficient system through which funds can be released to line Ministries and quickly go down to the district level.

With those many remarks, I beg to support.

Mr. Affey: Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to support this Vote and to thank the Minister, particularly the staff of the Ministry for a job well done. The Budget was received very well. We all celebrated this Budget. When we heard him speak here there were a lot of celebrations.

I have just returned from Mombasa where we were taken through the Finance Bill. I am not as excited as I was during the Budget day because quite a lot of things that are in that Finance Bill were not quite clear to us initially.

Before I come to some points, I just want to request the Minister to consider, first of all, consulting the Committee on Equal Opportunities in Parliament. From the next financial year, we will be asking the Minister to appear before us, so that we can understand the kind of Budget he will read, so that we can see whether it is equal opportunity-compliant in terms of the allocations and resources that will go to the different sectors in this country. We just want the Minister to be on the lookout because we will ask him to appear before us and discuss a few items with him.

Mr. Deputy Speaker, Sir, in his Budget Speech, the Minister for Finance did indicate that a lot of resources will be devolved down to the grassroots level. This is a good thing because we have been fighting over resources in this country for a long time. He needs to go the extra mile by consulting the grassroots stakeholders, so that the people in the country can know and own the Budget.

This happens in all countries, particularly in the East African region. In Uganda, for example, officials from the Treasury normally visit the countryside a few months before the Minister presents the budget. They go to all the regions and districts, sit down with the stakeholders, identify priority areas and see what allocations can be given to those particular areas.

This effectively means that the whole country own the product that the Minister will read before the House. It has happened in other parts of this region. We do not see why Kenya is an exception. I just want to encourage the Ministry officials to go around the country.

Mr. Deputy Speaker, Sir, I was compelled to bring a Motion before this House which requires the Minister for Finance, effective from next financial year, to set aside 15 per cent of the Development budget for northern Kenya. There is a reason the President and the Prime Minister established this Ministry. It is a shame now that when you look at

the books, not less than Kshs3 billion has been allocated to this Ministry which essentially pays staff and complements the World Bank project.

We will use the Implementation Committee of the House. We want this Ministry to be given effective functions. As it is now, it just co-ordinates. It is not enough to co-ordinate where 75 per cent of the land mass and the people in this country had a lot of celebrations because they imagined that the Government finally established the Ministry after realizing that this region required development to be fast tracked.

I have suggested 15 per cent which, by calculation, comes to about Kshs30 billion. It is not a lot of money when you consider the trade we will have with Ethiopia if we only complete the road between Nairobi and Moyale because the one for Moyale to Addis Ababa is complete. We have a potential of raising Kshs170 million just from that particular section annually. Therefore, I think there is need to invest. I am sure the returns will be great.

Mr. Deputy Speaker, Sir, we looked at the budget and the Minister had spoken about certain items which we felt were not very friendly. As we reflect we think that this Budget is meant for the rich. For instance, why would the Minister zero-rate duty on gold for women in this country? How many of the ladies in this country can afford gold? It must be targeting a rich class which can already afford to buy the gold. What incentives is he giving?

On mineral water, it appears we are taxing the poor to give comfort to the rich. This is why we want to interrogate the Minister before the Budget is read.

Mr. Deputy Speaker, Sir, finally, there are incentives which were given to investors outside three cities, that is Nairobi, Thika and another place. These incentives are meant for the less developed parts of the country, so that many people can invest there.

I support the Vote, Mr. Deputy Speaker.

Mr. Muthama: Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to support this Vote. I am delighted that the Budget that was read by the Minister for Finance was the best in this country.

We have been crying, praying and asking that we have a Minister who will consider issues based on *mwananchi's* interests. As I support this Vote, I want to congratulate him because, for the first time in this country, there will be money to construct a health facility in every constituency.

We are no longer living on dreams. We are not dreaming about what the Government will do for its citizens. There is money. In my constituency, we have Kangundo District Hospital. I will build a modern health centre in the new district. This will reduce the human traffic in Kangundo District Hospital. .

Mr. Deputy Speaker, Sir, we are talking about Kshs165 million or Kshs170 million that has been allocated to every constituency. It is up to the leaders to take full responsibility to serve the electorate and not to give excuses. We have the money now. The Government will take care of infrastructure such as roads and water dams. Now we have money at the constituency level that we can use. For the first time in my constituency, I will be able to construct two primary schools, each worth Kshs3 million. Each constituency has been allocated money to construct a modern secondary school which will be a centre of excellence.

In this year's budget, there is money for the newly created districts. Matungulu District, for example, has been allocated Kshs30 million for the construction of its headquarters.

Mr. Deputy Speaker, Sir, initially, all funds were controlled by the central Government. Now, Kenya Roads Board allocates money to all constituencies in the country. It is up to the people to decide which road or bridge will be constructed in their constituency.

There is no better budget that can be expected than this. We, as leaders, need to encourage our people to be more productive and pay taxes so that the Government can develop this country. That is where we, as leaders, are failing.

I would like the Minister to consider in the Budget for the year 2010/2011 allocating more money to irrigation projects, so that we will be able to feed ourselves. This country has got what it takes to produce food. The Minister should use our National Youth Service to grow more food for our people.

The Minister should consider using our National Youth Service (NYS). The boys are there just being trained how to march. They can be given tractors and made to grow food for Kenyans. We are spending money to feed prisoners, therefore, they should be made to grow food for Kenyans.

With those few remarks, I beg to support.

Mr. Musyimi: Thank you Mr. Deputy Speaker, Sir. I also stand to support Vote 07 for the Office of the Deputy Prime Minister and Ministry of Finance. However, I want to make some comments.

Mr. Deputy Speaker, Sir, as you are aware and I know you know, the struggle for a new Constitution that we have had for many years was the struggle about fairness, justice, equity and a fair distribution of power and equitable distribution of resources. That being the case, one asks the question; what is it that makes it so difficult for intelligent people--- And Kenyans are very intelligent when you listen to them in workshops and Parliament, they make sense. What is it that is lacking? There is a connection that is missing. For example, the levels of taxation in this country today, are almost unacceptable. They are very high. We are one of the most heavily taxed citizens of any decent country. Taxation seems somewhat out of proportion to the way the money is spent.

As one looks at these problems, it is quite obvious that we can stand here today and support this Vote, which we do but until we fix our politics, we shall be going round in circles chasing our own tails. We must fix our politics! We must sort out this issue of the debate on the Constitution. We must not just be people who make policies. We must be prepared to have the stomach to implement the policies we make. It would seem to me that Kenya is awash with good policies. This place is replete with wonderful documents in the shelves of Ministers and Government offices across the country. However, the way to implement these policies fairly, equitably and in a manner which is reasonable in the service of the common good seems to be lacking.

As I support this budget, we must come back to ourselves because this place is the place that drives our politics. We should begin to reflect on this and commit ourselves to fix our politics.

Mr. Deputy Speaker, Sir, I am privileged to be the chair of one of the House Committees, one of the things I noticed and which seems to be the case across all the

other Committees as we looked at the Budget is that, there is a disproportionate relationship between Recurrent Expenditure and Development Expenditure. The amount of money that goes into Recurrent Expenditure is unacceptable for a country that wants to develop. It is much too high. I think in programmatic terms, there are levels beyond which once you go, you know that you are not using your money well. Once you begin to spend anything beyond 40 per cent of your money in Recurrent Expenditure, whether it is salaries of Civil Servants or Ministers and then the rest goes to development, then you know that that budget is lopsided. We are in a situation where much of our money goes into Recurrent Expenditure and not enough is going to Development Expenditure. That, I think is very sad.

Mr. Temporary Deputy Speaker, Sir, I take a case in point which was in the Minister's Budget Speech. He told us that Ministers will drive smaller cars. I am not sure that that policy has been implemented. It was very juicy when it came out on the Floor of the House. I am, however, not sure about the will to implement it. Today we have a very large Government. We have a Cabinet that is very big and we all say it is big because of the crisis that we had. I am not sure, having been in this House for a year and a half that the Government is big so as to bring about peace within the country. I think a lot of it was self driven and when we tried to say that earlier on, we were told: "You did not end up in the Cabinet so it is sour grapes". It is not sour grapes! We have a Cabinet that is too big.

When you get a new district, as I have in Mbeere South District, we are waiting to get officers of Government as many as there are Ministries. The level of overlap and abuse of resources is extremely high.

With those few remarks, I beg to support.

Mr. Kioni: Thank you Mr. Speaker, Sir, for giving me this opportunity to support this Vote. I want to start by commending the Minister for Finance for the Budget that he read. I want to commend the staff at the Ministry for the many things that they have done.

I think it is important that we recognize the distance that we have covered. We have talked about the need for police reforms. We continue to talk about the need for judicial reforms and reforms in the prosecution process in this country. We have also talked about many other areas that are in need of reforms. I think it is also important to take stock or recognize that we have had a lot of financial reforms in this country. This has enabled us to collect large amounts of revenue through the Kenya Revenue Authority (KRA). I believe we have been able to achieve that because we have also been able to close some of the gaps and loopholes that used to exist in the financial sector. In so doing, we have dealt with some of the corruption that was going on without us talking about.

Mr. Speaker, Sir, we still have a lot of ground to cover because there is still a lot of corruption in our country. I think it is also important that we recognize what we have achieved. I believe that we would not be collecting Kshs700 billion from Kshs180 billion a couple of years ago, if we had not dealt with some form of corruption in our country. I think it is important that we note that and commend those within the financial sector. That has been achieved because they have committed themselves to do that

Mr. Deputy Speaker, Sir, having said that, it is important that we also take note of the fact that even as we go out into some international conferences, it is very sweet for some of us to say we are able to cover up to 95 per cent of our budget without moving around as beggars. These are achievements many of our partners may not be rejoicing in.

I think it is important that we wake up to that. There are things we must talk about more often as Kenyans than the negatives that we still have to deal with. We have a country that we need to move to other levels. Nobody is going to come and move it for us.

I also want to say that it is important that even as we continue coming up with policies, even as we move to balance regions, it is important that we pay attention to the populations in these regions.

We should consider the population when we deal, for example, with the *Kazi Kwa Vijana* (KKV) programme which is still ongoing. In my own understanding, this is a programme for the youth and we only take that job to the youth in that particular region. If we do not pay attention to the number of youths in that region, then I think that will be double-speak and it is not useful to this nation. If we do not engage the population in those regions and pump money into the project so as to achieve regional balancing, then we may lose the project benefits. It may please us for now, but we will pay the price in a short while. This is also pressure that we are building in some areas and people can see these things.

In my constituency, I am getting between Kshs4 million to Kshs6 million for the KKV project when I have some 10,000 men who are unemployed and another constituency is getting Kshs40 million yet they only have 3,000 young boys who are unemployed. What are we saying? We may be doing it right and it may sound right now. Perhaps even the numbers in this House may support that now but what are doing to this country in a short while? Will we be able to take the heat that will be generated by these young people? We are talking about people who have been to school; they can read papers and browse the internet. They can bring up these facts even as we address them in *barazas*. So, it is important that when we are coming up with these policies, we address ourselves to this. As I stand here, we are dealing with many issues. We have about Kshs24 billion which has been disbursed by the Government.

I want to commend our people in the financial sector because this is money which we can use. However, we, in my district, cannot feed ourselves in our constituency, yet it is not part of the districts that are benefiting from the programme. Why have we not gone out to make an assessment of the new needs facing this country? We are still using the old perceptions to inform our new policies. Until we wake up and move round this country, we will have difficulties.

With those many remarks, I support.

Mrs. Noor: Thank you, Mr. Deputy Speaker, Sir for giving me this time to contribute to this Motion. From the outset, I want to support the Vote of the Office of the Deputy Prime Minister and Ministry of Finance. I want, first and foremost, to congratulate the Deputy Prime Minister and Minister for Finance for the excellent way in which he presented this year's Budget. The Budget was well thought off and well-balanced. It is a Budget which, for the first time in the Kenyan history, people appreciated across the board and they felt as if they had an ownership of it. Every Kenyan is able to relate with the Budget in one way or the other. Every person feels that in this Budget, there is something that the people of this nation, wherever they are, can identify with. We can say that in this year's Budget, there is something for the person in the village, who is at the grassroots level. We want to thank the Deputy Prime Minister and Minister for Finance. For the first time in history, funds have been devolved to the extent

that the constituencies are becoming the focal point of development. It is becoming the unit of development and everybody in this country appreciates that.

The Deputy Prime Minister and Minister for Finance took into depth at all Government programmes and holistically addressed issues that affect the communities of this country. He addressed issues of health, education, food security, women, youth, the elderly and everybody across the board. That is why I said that the Budget has a wider ownership of the people of this country.

I was impressed by the Deputy prime Minister and Minister for Finance because he was able to come up with an innovative way. He was thinking outside the box. He went out of the traditional way of addressing issues to an extent of addressing important innovations and opening up programmes which can create employment for our youth and women. He also opened up programmes which for many years had been neglected. For example, he came up with the centers for excellence where every constituency will now have a school that will be equipped with computers. It will have internet connectivity and teachers who will dialogue and network with people around the country and outside the country. That is a very key and important way of addressing issues that empower our children while they are in schools.

The Deputy Prime Minister and Minister for Finance also came up with excellent programs dealing with health facilities. He allocated Kshs20 million to each constituency so that we can deal with health issues in this country. This was excellent. He also allocated funds for the recruitment of teachers and nurses at the constituency level. We urge him to critically look at the implementation of these programmes. It is important for us to look at the implementation of these programs. They are two issues here that are different; giving with one hand and the other issue is making sure that a project is implemented. This is crucial in this innovation that the Deputy prime Minister and Minister for Finance has brought on board.

I also want to thank the Deputy prime Minister and Minister for Finance for allocating adequate resources to various Ministries, in particular in terms of addressing issues that affect the poor people.

I want to talk about the road sector. The road sector has been allocated adequate funding. However, there are still some regions which for many years have been marginalized. They were not in the mainstream of development of this country. In the same traditional way of addressing issues, the Minister has not looked at ways of opening up some regions that were closed. For instance, the North Eastern Province does not have a single kilometer of tarmac road. I would request him to consider, in his next Budget, allocating some money to the roads in that region.

With regard to the issues of Women Enterprise Development Fund and the Youth Enterprise Development Fund, these funds had very good intentions because they were addressing the critical mass of this country. The Women Enterprise Development Fund was supposed to uplift the marginalized, vulnerable women, housewives and single women and those who are taking care of orphaned children. However, that is not what is happening. We want the Audit Department of the Ministry of Finance to critically look at the issues of finances with regard to the Women Enterprise Development Fund and the Youth Enterprise Development Fund which are under the Ministry of Youth Affairs and Sports.

With those few remarks, I beg to support.

The Minister for Nairobi Metropolitan Development (Mr. Githae): Thank you, Mr. Deputy Speaker, Sir for giving me this opportunity to contribute to this important vote. First, let me take this opportunity to thank and commend the Deputy Prime Minister and Minister for Finance and members of staff, led by the Permanent Secretary for a job well done. I think this is one of the best Budgets that have been read in this House. Why am I saying this? If you look at the main thrust of the Budget, you will see that it was an economic self-reliance Budget. In other words, he wanted to make constituencies to be self-reliant. He wanted to make constituencies the basis of economic development in this country. To me, this is the best way of counteracting the evil spirit of *majimbo*. With the thrust of the constituencies being the basis of economic development, the Budget has penetrated each constituency.

Various stimuli were given, for example, the recruitment of teachers. I would like to commend the Minister for Education because I have seen an advertisement in the newspapers. I would also like to see the Minister for Medical Services advertise employment of medical staff, particularly the nurses so that they can be sent to the constituencies. I am saying this because I would like him to go a step further. Already he should have declared that all constituencies become districts and all districts become local authorities. To me, this is the best *ugatuji* that you can ever get and we will get rid of the *majimbo* debate because this will be an economically viable set up. This is because whenever you talk about “*majimbo*” the implication in this country is that you are saying that some people should be evicted from where they live. That is what goes on in the mind of every Kenyan when you mention the word “*majimbo*.”

Mr. Deputy Speaker, Sir, I would also like to commend the staff under the Deputy Prime Minister and Minister for Finance, particularly the Kenya Revenue Authority (KRA) under the Commissioner-General. We have seen rapid increase of total revenue collection from about Kshs106 billion to Kshs700 billion. This is commendable. I urge him to go a step further and start getting tax clearances. Before anyone is employed or vies for a parliamentary or a civic seat, he should get a tax clearance from the KRA. He should also make it compulsory for every Kenyan to have a bank account. He should ban payment of salaries in cash. All salaries should be remitted through bank accounts. He will raise more revenue if he did this.

Concerning the *Kazi kwa Vijana* programme, this is something that we do not seem to understand. I wish that this programme had been put under the constituencies instead of the Ministries. This is because you will find that a Ministry has been allocated the *Kazi kwa Vijana*, money but it is not equitably distributed to the constituencies. I wish the Deputy Prime Minister and Minister for Finance could have gone ahead and placed the *Kazi kwa Vijana* programme under the constituencies so that it could be exploited fully.

Mr. Deputy Speaker, Sir, there is nothing wrong with having a huge Recurrent Expenditure. The Government is also a player in the market. This money will be spent in this country. It will, in fact, act as a stimulus to the economy. There is nothing wrong with borrowing money so long as it is used in the most economic and viable manner. The USA has borrowed about US\$900 trillion. There is nothing wrong with borrowing, so long as the money is used well.

I would like to talk about the Poverty Index which we should abolish. This is because people now glorify poverty. I was shocked the other day in my constituency when somebody said;

“Mheshimiwa, you are telling us to work so hard and cultivate, but this will push our poverty index down and if it goes down, we will get less Constituency Development Fund (CDF) money.”

The Poverty Index issue must come to an end. We are now glorifying poverty. We should emphasize wealth creation and not the Poverty Index.

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

Mr. Gaichuhie: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to support the Vote for the Office of the Deputy Prime Minister and the Ministry of Finance. I also want to thank the Deputy Prime Minister and Minister for Finance and his staff for the good Budget that they gave us. At least, we were considered in our constituencies this year. It has reduced the influx of Members of Parliament going to Ministries to beg when they want a road, a school or a hospital done. With the economic stimulus, we will get these things without going to the Ministries to beg.

Mr. Deputy Speaker, Sir, the equity distribution that the Deputy Prime Minister and Minister for Finance did by giving all the constituencies equal funds is not a bad idea. This is because you could be having a big population while the other area has a big land mass. So, the way he distributed the money was not bad. The Deputy Prime Minister and Minister for Finance also tried to solve the Internally Displaced Persons (IDPs) problem by asking Ministers and senior civil servants to surrender vehicles above the 1800 cc, but that seems not be working since the idea has not actually been implemented. You will remember that even the former Minister for Finance said one time that it was going to be one Minister one vehicle but it never worked. All the Ministers have now refused to use small cars. So, the money that will be saved for the sake of the IDPs will not be realised. I wish he had allocated some money for the IDPs so that we could do away with the camps that we see.

With regard to the Civil Contingency Fund, it is high time the Deputy Prime Minister and Minister for Finance brought this before Parliament so that we increase it to more than Kshs2 billion. This is because we have seen him bring in other contingency funds and claim that, that is money for settling the IDPs and other things. I think he is just increasing the Civil Contingency Fund through the back door.

Mr. Deputy Speaker, Sir, the Minister is also buying shares in De La Rue. I agree that every country should have a money printing company, but at the moment, De La Rue is operating at a very low capacity unless they will work hand-in-hand and see to it that they install good machines that will print money. I think currently, the company cannot even print the new generation notes.

The Deputy Prime Minister and Minister for Finance did a very good thing by saying that the money meant for retirement benefits should be invested in Government stocks. This is because we even saw the National Social Security Fund (NSSF) depositing money in banks that went under. So, if this will be implemented and have all retirement benefits put in Government stocks or securities, it will be a very good idea.

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

The Minister for Regional Development Authorities (Mr. Gumo): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity. I also thank the Deputy Prime

Minister and Minister for Finance for the Budget that was very considerate. I think when he went round campaigning for the Presidency, he understood the problems of *wananchi*. That is why he was able to come up with a Budget like this one that really touches the hearts of *wananchi*.

I just have a few points to make. We are always running short of food in this country and the amount of money we spend on relief food, which I do not support much-- - This is because when most of this food is distributed people are given one *gorogoro* for nearly three months and yet the majority of our people have large families. One *gorogoro* cannot feed a family. It is better for the Deputy Prime Minister and Minister for Finance to use most of this money to develop this country and even supply *wananchi* with fertilizers instead of giving them one *gorogoro* per family. We spend a lot of money on famine relief to the extent that if it had been invested somewhere it would have turned this country round. This should be the case instead of going round dishing out food.

Mr. Deputy Speaker, Sir, another point that I would like to raise is with regard to the fee that the Kenya Bureau of Standards (KEBS) charges importers or anything that is imported. People who are coming in with personal effects, for example, if you have been living in the United States of America (USA) and you are coming with personal effects in a container, why should you be charged by KEBS? They charge about 7.5 per cent. You do not need to inspect personal effects. You could be carrying some old blankets but still you have to pay some fee to KEBS. That fee is really not fair. Some of us politicians always get people coming to us to complain. We do not mind that fee being charged on commercial importers, who want to sell goods but for somebody who is coming in with his own personal effects, he should not be charged that fee.

Mr. Deputy Speaker, Sir, the other point is that we have been having floods all over the country during the rainy season, although this year it was not much. We should spend a lot of money in damming some of those rivers upstream. If you go to some of the developed countries, they have very many small hydro-power stations all over on small rivers that do not even cost much. That is why they do not get shortage of electricity. The problem we have in this country is that we have put all our resources in one area to the extent that when there is no rain in that particular area, then there is shortage of electricity. If we had small hydro-electric stations on small rivers all over the country to supply electricity, we would not be having these shortages throughout the country at the same time.

Today, if there is no rain in Mt. Kenya and Aberdares that affects almost 90 per cent of this country. That is something that we must look into and try to regulate so that we can have electricity all over.

Mr. Deputy Speaker, Sir, lastly, most of our primary schools are short of teachers--

Mr. Deputy Speaker: Your time is up!

The Minister for Regional Development Authorities (Mr. Gumo): With those few remarks, I beg to support.

Mr. Mututho: Mr. Deputy Speaker, Sir, I want to join the rest of my colleagues in thanking the Deputy Prime Minister and Minister for Finance for a job well-done. At least, we have the appetizer in terms of things to come. This Budget reflects that style. I have used the word "thinking outside the box" because that is one word that has been over-used. If Mr. Kimunya and the Deputy Prime Minister and Minister for Finance,

could really listen, this is one word that has really been over-used. I do not want the Deputy Prime Minister and Minister for Finance to think outside the box anymore. I want them to think of a new terminology, something called “metamorphosis”. In science, the term means that change in that ugly looking caterpillar to something called a butterfly and it flies away. Our Budget process resembles that caterpillar. We have had several challenges and we need now to come and metamorphosize our own thinking.

We should think Kenyan. I have in mind the 1970s. This Ministry was allocating 13 per cent budget on agriculture. That way, we were able to have Kenya Meat Commission (KMC), Kenya Planters Co-operative Union (KPCU) *et cetera*. Gradually, we have come very low and this year, if I am not mistaken, the Ministry of Agriculture under Mr. Samoei, was allocated 1.56 per cent. This 1.56 per cent is expected to support 80 per cent of our labour force. That percentage cannot be expected to feed all Kenyans. It simply cannot work!

Mr. Deputy Speaker, Sir, the Deputy Prime Minister and Minister for Finance should re-engineer the whole budgetary process so that you are not following the norms or the ceilings which were developed some time back. After all, when those ceilings were developed, we did not have 40 Ministries. There are some good and bad things about this budget. For example, if you look at the money being spent on the rehabilitation of helicopters being used by the police, you realize that according to the figures we have seen, repairing those archaic helicopters owned by the Kenya Police, cost as much as the entire budget for the Ministry of Lands. That does not add up. Land is one of the five factors of production. If we were to survive and avoid clashes, because most of them have to do with land, then we have to look at the whole sector.

Mr. Deputy Speaker, Sir, regarding incentives to the producers, even in international markets, there is carbon trading which is part of the incentives. People are being given money because they are doing something good. That is carbon trading. People in Ndakaini, for instance, which has been used to supply water to Nairobi experience cold weather but they have no benefits. People of Naivasha - I must speak this one very loudly - are giving 10 per cent of the Gross Domestic Product (GDP) to the Government. I was looking at the budget for the Ministry of Water and Irrigation and I found that they have even reduced the little they were giving us from Kshs9 million to a humble Kshs7 million this time, whereas we have increased overall productivity from 7 per cent to over 10 per cent. I think we need incentives also. People who produce should be rewarded accordingly in terms of budgetary allocations so that they can continue producing.

Mr. Deputy Speaker, Sir, Singapore is a country that we all know. They took a loan from the World Bank but they had a bridge which is crucial to their economy and the President came and refused to finance that bridge. He took a very hard decision to do it himself. They took the money from the equivalent of our National Social Security Fund (NSSF). That is how Singapore developed. We hear many stories. We have money locked up in NSSF and other structures. When we start metamorphosizing ourselves other than going to borrow from without, we can still borrow from within. That includes the funds which are held by people who passed on many years ago.

Mr. Deputy Speaker, Sir, the Dubai model was a Mombasa model. It is just the name that was changed. We must think and change. Truly, I support this budget by the

Deputy Prime Minister and Minister for Finance and look forward to more dynamism in the overall construction and restructuring of this budget.

With those few remarks, I support.

Mr. Baiya: Mr. Deputy Speaker, Sir, thank you for giving me the opportunity to contribute. I would also want to join my colleagues in celebrating the budget that was presented by the Deputy Prime Minister and Minister for Finance in having---

Mr. Deputy Speaker: Mr. Baiya, you just have one minute.

Mr. Baiya: Mr. Deputy Speaker, Sir, I support.

(Laughter)

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Deputy Speaker, Sir, thank you and I want to also thank my colleagues for all the very useful comments that they have made. Just to highlight a few, the Chairman of the Departmental Committee did talk about the issue of reviewing the previous year; 2008/2009.

I think that is something we can work together with him and give him a complete breakdown, both of Recurrent and Development Expenditure for the previous year when we sit with him and his Committee. However, in future, as we present new Budgets, we will take his point into account.

Mr. Deputy Speaker, Sir, on the issue of the Kenya Revenue Authority (KRA), I need to give them more support. We are also convinced that KRA needs more support and we will continue to do whatever it is that we can to ensure that they are given the necessary financial support to continue doing the good job that they are doing. He mentioned about the problem with the Pensions Department. We had discussed that issue with his Committee and we agreed that there is work that is currently being done that should improve drastically and dramatically the period of time that it takes to release payments to pensioners.

Furthermore, he talked about the additional money for Pan Paper Mills, Webuye. This was also raised by Mr. Sambu. We have made a provision of Kshs500 million. This is in line with the Government's commitment to ensure that Pan Paper Mills is revamped. After detailed discussions on the reorganization of Pan Paper Mills are concluded, if additional funding will be required, we shall do everything we can to make the funding available.

Mr. Bahari talked about procurement. As you will recall in my Budget Statement, we indicated that this is, indeed, a problem; the issue of last minute rush to procure at the end of the financial year. We are trying to bring this issue to an end because it leaves room for rent seeking as he says. We are trying to strengthen our Integrated Financial Management Information System (IFMIS) to ensure that as we move on, this situation is corrected.

On the issue of the need to bring a more detailed Treasury report based on the Public Accounts Committee (PAC) and Public Investments Committee (PIC) reports or the other reports from the devolved fund committees, again, I can give an undertaking that as we move forward, we will be giving more detailed information and action taken on Ministries that have not properly or fully utilized the funds that have been allocated to them.

With regard to the Capital Markets Authority (CMA), we thank him for the comments that he has made and our commitment is to continue with reforms in the CMA to both restore confidence in the market and also to enable our capital markets to grow and restore their position as the premier capital markets in the region.

With regard to Mr. Kigen, he talked about poor utilization of monies that are released. Indeed, as indicated, we have made a provision for a programme which we are referring to as e-promise which is aimed at making it possible, not just for hon. Members but the ordinary Kenyans to monitor Government projects throughout the country, stage of implementation and progress made on those particular projects. We hope that, indeed, by bringing it to the attention of both hon. Members and members of the general public it will, indeed, be an incentive for Ministries to ensure that they uptake or there is better utilization of resources that have been released to them. He also referred to the rail being important and I join him and all Kenyans in believing that we need to have this railway not only started but completed in the shortest time possible.

Mr. Ojaamong referred to the issue of an audit in the district accountants throughout the country. I think this is why we are again investing in the local area network (LAN) where we are investing a considerable amount of money with the view of making sure that we connect all our district accountants onto the IFMIS system which should be able to bring better control on to how monies are spent even at the District Treasury level.

There were issues about social responsibility with regard to the KRA. These are good ideas and ideas that we shall follow up as well as to ensure that KRA does more civic education to ensure that Kenyans better understand their taxes, needs and how indeed those taxes should be paid. So those are two ideas which I think we should be able to take up.

Mr. Sambu also referred to rules and regulations with regard to the stimulus package. I want to assure him that those rules and regulations are in the process of being produced and will be available very soon because we need to be able to begin to execute that stimulus programme. I think I have mentioned and referred to his issue on Pan Paper. I do not need to refer to that again. Mr. Affey raised the issue of the amounts of monies that are available to the northern Kenya. I want to correct him. He seemed to indicate that it is paltry but Kshs2 billion is not paltry. I want to assure him that a lot more money is available for northern Kenya in various line Ministries including water, roads, education and various other Ministries. These monies are allocated within the respective budgets.

With regard to the issue of the Budget being more friendly to the rich, I think given the nature of this particular Budget and the fact that the bulk of the resources that were allocated in this Budget have been distributed as evenly as possible throughout the rest of the country, I do not think that statement actually holds water.

With regard to our beautiful women and the need for jewellery and cosmetics, I think that is a matter of opinion. We are just trying to make it cheaper and available to everybody.

Mr. Musyimi referred to the issue of the vehicle policy and doubting whether it would be implemented. I want to assure him of the Treasury's commitment to implement this particular programme. With regard to the Development Budget and the need to increase it, if Mr. Musyimi was to actually follow, since 2002, there has been a steady

increase of the Development Budget and ultimately it is, indeed, the hope of the Government that we should reach a stage where our Development Expenditure far exceeds our Recurrent Expenditure. This is a question of time but if he looks at budgets from 2002 to where we are now, the Development Budget has been on the increase.

Mrs. Noor also mentioned on the need for us to be able to dedicate more funding, especially to roads in North Eastern Province. She said that there is not a single road of tarmac in that particular province. I would want to assure her that I believe in this financial year there is programme for a number of roads through to Modogashe which is already in the Ministry of Roads programme to be funded and built in that particular province. That, however, and I agree, is not sufficient. We need to upscale this. I give her our commitment towards that particular end. With regard to monies being spent by the Ministry of Youth Affairs and Sports and the need for them to be audited, this is in the interest of all Kenyans.

Overall, I cannot respond, due to time, to the issues raised by each and every hon. Member. I want to assure them that myself, my Assistant Minister and, indeed, the entire team at the Treasury has taken their comments very seriously. We will not only just consider them; the ideas that have been given will be adopted and taken forward.

In conclusion, I want to thank each and every hon. Member for their contribution and the support that they have given to my Ministry during the period of Budget making to date. We will continue to work very closely together with them.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to move.

(Question put and agreed to)

Mr. Deputy Speaker: Next Vote. Vote No.15 for the Ministry of Labour!

THAT THE SPEAKER DO NOW LEAVE THE CHAIR

Vote 15 – Ministry of Labour

The Assistant Minister for Labour (Mr. Ojaamong): Mr. Deputy Speaker, Sir, I beg to move that the Speaker do now leave the Chair to enable me initiate debate on Vote 15 – Ministry of Labour.

Mr. Deputy Speaker, Sir, the Ministry of Labour has been in existence since Independence. In 1999, the Ministry was renamed the Ministry of Labour and Human Resource Development after a merger of the Ministry of Labour and the Ministry of Manpower Development and Employment. In the Presidential Circular No.12008, the Ministry's name was changed to the Ministry of Labour. The Ministry's mandate, as per the Presidential Circular No.12008 is:-

- (a) National manpower policy and development;
- (ii) Employment policy;
- (iii) Factory inspection and workers health;
- (iv) Safety at work;
- (v) Industrial relations;
- (vi) Vocational training;
- (vii) Promotion of self employment in Micro and Small Enterprises (SMEs);

- (viii) Directorate of Industrial and Vocational Training;
- (ix) National Productivity Centre; and,
- (x) National Social Security Fund (NSSF).

Mr. Deputy Speaker, Sir, the arbitration and settlement of labour disputes by the Industrial Courts, which has been one of the mandates of this Ministry, was omitted in the circular and a request has been made to regularize that. In addition, with effect from 2nd June, 2008, and with the coming into force of the Labour Institutions Act, 2007, the mandate of the Registrar of Trade Unions was transferred from the State Law Office to the Ministry.

Mr. Deputy Speaker, Sir, the Ministry's mission is to develop and implement policies and programmes for a highly productive workforce through creation of a safe working environment, promotion of industrial peace, effective human resource planning and development, social security, productivity promotion and sustainable job creation.

Mr. Deputy Speaker, Sir, arising from its mandate, the Ministry's core functions are:-

The promotion of industrial peace in the country, ensuring compliance with labour laws and facilitating ratification of international labor conventions; promotion of best practices of occupational safety and health in all work places, inspection of all work places to ensure safety and health of workers, administration of work injury benefits, human resource planning, development and utilization, ensuring adequate supply of skilled manpower at all levels in industry, labour inspection in respect to terms and conditions of employment, settlement and arbitration of labour disputes, judicial determination of labor and employment disputes, vetting and registration of Collective Bargaining Agreements (CBAs), facilitation of the development of micro and small enterprises for creation of employment, promotion of productivity culture and practices, provision of labour market information, to facilitate public employment services; promotion, streamlining and regulation of foreign employment, administration of industrial training levy and trade testing, supervision and inspection of trade unions and provision of social security through NSSF.

Mr. Deputy Speaker, Sir, the Ministry's budget allocation has been low over the years and that has hampered implementation of activities and programmes related to its mandate.

Despite the increase in both Recurrent and Development Expenditure allocations in the current financial year, some key programmes and projects in the Ministry remain underfunded or not funded at all. This is especially for several key flagship projects in the Vision 2030 and the First Medium-Term Plan, 2008 to 2012.

The flagship projects include the following:-

- (i) The implementation of the revised labour laws which requires Kshs290 million;
- (ii) The establishment of regional industrial courts where Kshs80 million is required;
- (iii) The establishment of centres of excellence for micro and small enterprises which requires Kshs50 million;
- (iv) The establishment of regional industrial training centres which requires Kshs200 million;
- (v) Refurbishment of the Directorate of Industrial Training equipment at the cost of Kshs96 million;

- (vi) Establishment of a national productivity data base at the cost of Kshs20 million; and,
- (vii) Development of wages and income, diaspora industrial attachment, employment, labour export and social security policies at a cost of Kshs50 million.

Other key areas that require funding are payment of rent arrears which the Ministry owes the NSSF dating back to 1996 which requires Kshs93 million; the payment of pending bills from the micro and small enterprises infrastructure projects amounting to Kshs50 million accrued from the budget cuts of Kshs70 million in the 2008/2009 financial year.

The Office of the Registrar of Trade Unions which was recently transferred to this Ministry requires Kshs3 million for the establishment of offices, registry and for carrying out inspection of trade unions in the country. The office was not allocated any funds in the current Financial Year 2009/2010.

Mr. Deputy Speaker, Sir, the Ministry is also faced with inadequate staffing levels both in the headquarters and in the field. The human resource issues, within the Ministry are based on the report of the re-organization and staffing of the Ministry of February, 2008 that is being implemented and impacting greatly on the Ministry's functions, departments and its overall establishment. In that report, the following has been recommended:-

- (i) The creation of a new post in the five technical departments;
- (ii) Upgrading of senior positions in Job Group "N" and above for officers in the technical departments which has already been effected thus impacting greatly on the establishment;
- (iii) Enhancement of staffing levels in productivity centre, technology development centre and internal audit by creating establishment for them; and,
- (iv) Streamlining of the organization structure and personnel in regional offices by giving a definite number of personnel in each of the regions.

The Ministry is understaffed with only 928 employees against a staff establishment of 2,344 thus operating at 40 per cent. The Public Service Commission gave authority to recruit additional 205 staff requiring Kshs96.9 million but funding could not accommodate this.

In addition, productivity centre of Kenya requires 76 officers at all cadres both support and technical in the current 2009/2010 which requires 43.6 million while the Industrial Court was given an additional authorized establishment of 100 staff which will require Kshs51.8 million to operationalise the regional courts. The total requirement is, therefore, Kshs192.3 million in the current financial year.

Another constraint in the Ministry is inadequate tools of work particularly for the field officers. The Ministry has five departments whose activities and mandate extend to all provinces and districts in the country. These are the Labour Department that covers 33 districts; Directorate of Occupational Health and Safety Services that covers all the eight provinces; the Directorate of Industrial Training; Department of Micro and Small Enterprise Development that covers all the eight provinces and the National Employment Bureau that currently covers 24 districts.

Mr. Deputy Speaker, Sir, the departments are facing various challenges that have hampered their service delivery. These include lack of vehicles; lack of suitable office

accommodation, basic tools of work such as computers, inter-net, fax and telephone facilities, and insufficient Authority to Incur Expenditure (AIE) allocations.

Other challenges include lack of equipment to undertake research, which is very expensive, dilapidated motor vehicles, poor succession planning and management, coupled with an aging workforce; disjointed schemes of service for technical staff, grabbing of already acquired parcels of land, inadequate legal policy, and institutional implementation of the Ministry's mandate.

Mr. Deputy Speaker, Sir, the key priority programmes under the Ministry are as follows:- National Skills Inventory, and National Manpower Survey that we have been undertaking. In this financial year, it will require Kshs164 million but we have a deficit of Kshs636 million.

No money was allocated for the establishment of regional courts. So, we have a deficit of Kshs80 million. For establishment of Occupational Safety and Health Services Fund, we were given Kshs80 million. Establishment of Occupation Safety and Health Institute requires Kshs71 million. Refurbishment and rehabilitation of Industrial Training Centres requires Kshs43.5 million.

Mr. Deputy Speaker, Sir, the implementation of Phase II of Technology Development Centre in Athi River involves the construction and purchase of specialised equipment. This will be funded by the Government of South Korea. It requires Kshs460,000,831. No money has been allocated for the establishment of two regional industrial training centres in this financial year, but this will require Kshs50 million.

We were not given funds for the development of the Employment, Occupational Health Safety, Productivity, Industrial Attachment, Labour Export, Child Labour, Development of Wages and Income, Diaspora, Industrial attachment and Social Security Policies but we require Kshs50 million.

Mr. Deputy Speaker, Sir, development of infrastructure for micro and small enterprises under the *Jua Kali* Programme, will require Kshs100,100,000. Others are promotion of linkage between industry, education, training and research institutions; development of national testing standards; productivity improvement and measurement and promotion. In total, we shall need Kshs847, 431,000.

The areas in which the Ministry requires Parliament to intervene include the allocation of funds for the *Jua Kali* sheds. In the 2000 Budget, the Government allocated Kshs300 million for construction of *Jua Kali* sheds in the constituencies. However, this funding has not been captured under the Ministry's allocation for 2009/2010 Financial Year. One of the key mandates of the Ministry is co-ordination of development of micro and small enterprises, including development of infrastructure for the sector. The funds for construction of *Jua Kali* sheds in the constituencies, therefore, ought to be allocated to the Ministry.

The Reproductivity Centre of Kenya is established under the Ministry as a private company under the Companies Act. This has made it difficult for the Government to finance its operations. The centre, therefore, lacks capacity to undertake any activities. In addition, the centre lacks an establishment. Hence, it is unable to recruit its own staff.

Number three is the enactment of the Micro and Small Enterprises Bill to ensure legislative recognition and provide an appropriate legal framework supportive to the growth of micro and small enterprises sector. The Ministry is finalizing the MSE Bill as provided for in the Sessional Paper No.2 of 2005.

Mr. Deputy Speaker, Sir, on payment of industrial training levy by Government Ministries, under Section 3 of the Industrial Training Act, the Government is bound to pay industrial training levy. However, the Government has not been paying leading to complaints from other employers. There is need for Government Ministries to comply with the law.

Number four is the conversion of the National Social Security Fund (NSSF) from a provident fund to a pension scheme. A Bill to convert NSSF from a provident fund into a social pensions scheme was last tabled in the Ninth Parliament. Unfortunately, the Bill lapsed before the Ninth Parliament could conclude. The Ministry is seeking to have the Bill reviewed to take into account the emerging issues and table it in the Tenth Parliament.

Mr. Deputy Speaker, Sir, I, therefore, beg to move that this House approves a sum of Kshs2,116,373,700 being a total of Kshs911,451,800 for Development Vote and Kshs1,204,921,900 for the Recurrent Expenditure.

Mr. Deputy Speaker, Sir, I beg to move.

The Assistant Minister for Lands (Mr. Bifwoli): Mr. Deputy Speaker, Sir, I beg to second this very important Vote. I also want to contribute a little as I second the Motion.

This Ministry is very important, but it is under-funded. If we want to remove industrial unrest in this country, this Ministry should be properly funded, so that it can employ labour inspectors. These labour inspectors will then inspect employers. Employers are paying Kenyans peanuts. An example is the Kenya Airways staff who went on strike the other day. We found out that they are paid a salary of Kshs8,000. This Ministry is the one supposed to inspect employers like Kenya Airways, those of us who employ housemaids and pay them Kshs100 or Kshs200 instead of the minimum wage.

During Labour Day celebrations, the Minister for Labour or even His Excellency the President normally gives Kenyans false hope that the minimum wage for any employee in urban and rural areas will be so much. Employees are paid so little and yet there is no one to inspect the salaries. In Pan Paper Factory and the Industrial Area here, people work under very bad conditions. This Ministry is supposed to go and inspect the circumstances under which employees are working. They are never inspected because the Ministry is under-funded and employers treat employees as if they are not human beings.

Mr. Deputy Speaker, Sir, it is high time that we really cared for this Country and our own people, that we fund the Ministry of Labour so that it employs enough personnel to go and check the employers of this country.

In Kenya we talk about being an industrialized country. Surely, if the *Jua Kali* shades where people are supposed to learn in order to know industrialization are not funded, how are we going to make this country industrialized? *Jua Kali* artisans are not being educated on how to manufacture items. The *Jua Kali* sheds have stalled. There is nothing we can say as far as this Ministry is concerned.

Finally, I think the amount of money allocated to this Ministry is peanuts compared to the demands on the ground. If we are going to start Industrial Courts in districts and provinces, we need to fund them. They will help us remove the backlog of cases in courts. Cases to do with labour and employment are very different from the normal way I can take you to court if you owe me money.

With those few remarks, I beg to second.

Mr. Deputy Speaker: Mr. Bifwoli, for a moment, I was worried that you were opposing and not seconding!

(Laughter)

(Question proposed)

Mrs. Noor: Thank you Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute. The Departmental Committee on Labour and Social Welfare was constituted on the 17th of June, 2009. The Committee is mandated to consider the following issues:- Labour, trade union relations, manpower, human resource planning, gender, culture, social welfare, youth, children affairs and national heritage.

In undertaking our mandate, the Committee oversees the following Ministries:- The Ministry of Labour, the Ministry of Youth Affairs and Sports, the Ministry of Gender, Children and Social Development, the Ministry of State for National Heritage, the Ministry of State for Special Programmes and Office of the Vice-President and Ministry of Home Affairs.

Mr. Deputy Speaker, Sir, the Departmental Committee on Labour and Social Welfare has the following membership:-

- | | | |
|-----------------------------|---|---------------|
| 1. Hon. Mrs. S.A. Noor, MP | - | Chairperson |
| 2. Hon. Mr. L. Kivuti, MP | - | Vice Chairman |
| 3. Hon. Mr. E. Langat, MP | - | Member |
| 4. Hon. Mr. J. Magwanga, MP | - | Member |
| 5. Hon. Mr. K. Magerer, MP | - | Member |
| 6. Hon. Mr. A. Keynan, MP | - | Member |
| 7. Hon. Mr. G. Konchella | - | Member |
| 8. Hon. Mr. A. Odhiambo | - | Member |

Mr. Deputy Speaker, Sir, as a Committee we support Vote 15. As at 2007, the labour force of this country was estimated at 9.45 million. We know that 75 per cent of the labour force is in the agricultural sector, while 25 per cent is in the industry and service delivery sector.

The unemployment rate in Kenya as at 2008 was at 40 per cent. These are the people who were of age and could be employed. They range between 15 to 55 years but were not employed. The global financial meltdown has worsened the situation with laying off of workers due to the decrease in profit making in the business sector. As a Ministry which deals with issues to do with the labour force, their work is important. It safeguards the rights and the welfare of workers especially in the face of the global crisis that we are facing.

Mr. Deputy Speaker, Sir, there are several challenges and constraints facing this Ministry. As a Committee, we felt that the Ministry's Budget allocation had been low over the years. This has hampered the implementation of activities and programmes related to their mandate. The following shows the allocations over the last three years: In the year 2006/2007, we had an allocation of Kshs1.1 billion to this Ministry. In the Financial Year 2007/2008, the Ministry was allocated Kshs1.3 billion and in the Financial Year 2008/2009, the Ministry was allocated Kshs1.3 billion again. For the Financial Year 2009/2010, the Ministry has been allocated Kshs2.1 billion.

Despite the increase both in the Recurrent and the Development Expenditure in allocations of this financial year, some key programmes and projects in the Ministry remain underfunded. This is of concern to the Committee. There are some key programmes which are in line with the achievements of Vision 2030. If they are underfunded, we will be at a risk of achieving Vision 2030. Some of the projects include the following; the establishment of the National Productivity Data Bank which would cost Kshs20 million; establishment of the Regional Industrial Training Centre at a cost of Kshs200 million is not funded; establishment of the Center for Excellency for MSEs which requires Kshs50 million is not also there; the establishment of Regional Industrial Court which requires about Kshs80 million is not also in the Budget and the Implementation of Revised Labour Laws which requires Kshs290 million is not also reflected in the Budget. There is other key funding that is required. This is payment of rent arrears owed to the NSSF building dating back to 1996 which totals to Kshs93 million. It is not also in place. Payment of pending bills for infrastructure projects amounting to Kshs50 million is also not there in this financial year. The Office of Registration of Trade Unions which was recently transferred to the Ministry requires about Kshs3 million for the establishment of offices, registers and for carrying out inspection of trade unions in the country. The office was not allocated any funds in this financial year. That is a big constraint and a challenge to the Ministry.

As a committee, we felt that, that needed to be highlighted so that in future, this Ministry gets adequate funding. We also felt, as a Committee, that human resource issues in the Ministry which are based on reports on reorganization and restructuring of the Ministry from February 2008 is impacting greatly on the Ministry's functions, departments and its overall development. We recommend the following:-

The creation of new posts in five technical departments; upgrading of senior positions in Job Group "N" and above in offices of technical department which has already been affected thus impacting greatly on the establishment of the same unit.

There should be establishment of staff levels in productivity centres, technical department and internal audit. The other recommendation is to streamline operation structures and personnel in regional offices by giving a definite number of personnel in each of the regions.

Mr. Deputy Speaker, Sir, the Ministry is also under-staffed. It has only 40 per cent of the required staff. This means that the Ministry is not working and yet we need one that works. This is a production Ministry because it deals with human resources. Therefore, it requires enough money.

The Public Service Commission has given this Ministry authority to recruit about 205 staff which requires about Kshs96.9 million, but this has not been captured in the current financial year. In addition, the Productivity Centre of Kenya requires 76 officers at all cadres, both support and technical staff. However, in the current year, 2009/2010, Kshs43.6 million is required, while the Industrial Court was given an additional authorization of establishment of 100 staff, which requires Kshs51.8 million. Therefore, the total requirement is Kshs192.3 million in the current financial year, which is not reflected.

Inadequate tools for work at the productivity centre is also a major problem. There is an allocation for the *Jua Kali* sheds. In this financial year, allocation spread across the *Jua Kali* sector and the youth programme has been divided across Ministries.

As a committee, we felt that all the small amounts that were allocated to various Ministries can be harmonized and allocated to one Ministry. For example, with regard to the *Jua Kali* sheds, we have the Ministry of Industrialization that was allocated a certain amount of money. We also have the Ministry of Youth Affairs and Sports and the Ministry of Labour. The Ministry of Labour was under-funded and allocated money to only construct about 31 *Jua Kali* sheds. Since all these monies are meant to empower the *Jua Kali* sector, we recommend that it is harmonized in future and allocated to one Ministry. We also feel that if these *Jua Kali* sheds are put under different Ministries, there will be a lot of wastage. This is because we cannot account for them well. If we are supposed to construct the *Jua Kali* sheds in the same constituency, then it does not make sense for us to have different Ministries implementing the same thing.

Mr. Deputy Speaker, Sir, in terms of the legal status for the Productivity Centre for Kenya, the centre is established as a private company under the Companies Act, Cap.486. This makes it difficult for the Government to fund its operations. The centre, therefore, lacks the capacity to undertake activities. In addition, the centre lacks establishment, hence it is unable to recruit its own staff. Currently, the centre is manned by skeleton staff from various departments in the Ministry. To address the constraints of productivity in the country, the legal status of the Productivity Centre of Kenya should be re-built to make it a national public institution supported by the Kenya Government.

Mr. Deputy Speaker, Sir, there is also lack of a comprehensive policy framework. The Ministry is in the process of developing various policies aimed at facilitating it discharge its mandate and meet the objectives of Vision 2030. These policies are employment, occupational health and safety, productivity, industrial attachment, labour export, child labour and social security policies. Therefore, there is need for Parliament to support the Ministry to obtain funding and approve those policies to enable the Ministry to implement them. Additional support will be required to inject and enact laws that are related to these policies. Payment of Industrial Training Levy by the Government also needs to be looked at.

I would like to conclude by mentioning that the provision of labour market, the Ministry's budget has been low over the years and hence implementation of various activities will be very difficult for them.

Mr. Deputy Speaker, Sir, the repealing of Workman's Compensation Act Claim, covers over Kshs80 million. The Industrial Court was only in Nairobi and the Minister was in the process of rolling out to the Coast Province and Kisumu to cater for Rift Valley and Western Kenya Provinces. The training of officers is also hampered due to very few institutions which offer specialized skills training. We only have 59 institutions in the country that offer labour related training or laws in this country.

I would like to conclude by saying that the Committee on Labour and Social Welfare supports the approval of this money.

Thank you.

The Assistant Minister for Higher Education, Science and Technology (Mr. Kamama): Mr. Deputy Speaker, Sir, thank you very much for granting me the opportunity to contribute to this very important Motion on the Ministry of Labour. I support this Motion from the outset. The Ministry should be given the amount that they have asked for. But I think the amount is quite paltry compared to the mandate that the

Ministry has been given by Kenyans. I support and I want to raise few fundamental issues.

First, I want to talk about the issue of minimum wage. You will all agree with me that this is an entirely quiet Ministry. The issues of this Ministry are normally dramatized during the Labour Day celebrations. The issues that are addressed on that day are the issues of minimum wage. So, Kenyans are asking whether we are actually serious when we declare that this year the minimum wage is going to be about Kshs6, 000. Is it practical on the ground? Kenyans are asking whether there is a mismatch between what we say and what is practically being done by the employers. So, the Ministry should therefore be very proactive in making sure that the inspectors go round and ensure that the employers actually implement the policies of this Ministry. So, that part should be taken very seriously.

On the issue of employment, somebody said that our employment rate is about 40 per cent. I think it is slightly higher than that. Unemployment is a big issue in this country. The sooner we sat down and addressed this problem, the better for us. I think that at some stage, this issue is going to go out of hand if we do not address it as soon as we can handle it. So, the issue of unemployment is a big one and the Kenyan youths are frustrated. So, we need this Ministry to be very pro-active in coming up with policies that could actually solve this menace and this big challenge to our people.

Mr. Deputy Speaker, Sir, so many proposals have been given and I want to support the issue of the Micro and Small Enterprise Bill which will fine-tune what we have at the moment. We want to have a Micro and Small Enterprise Bill at some stage that will address the issue of micro-enterprises. This enterprise employs more than 60 per cent of the entire Kenyan populace. So we need to ask the Ministry to fast track the Bill to come to this House as soon as possible. I will ask all hon. Members to really be on the forefront to support this Bill.

Mr. Deputy Speaker, Sir, we all know, and we have all learnt about the famous Vision 2030. Unless we have a reasonable employment rate of something to the tune of 60 to 70 per cent, we may not realize it. We all know that the totality of what our labour force produces is what amounts to production in this country. I remember when we used to learn basic economics; we used to be told that you have to combine labour, capital, land, entrepreneurship to be able to produce. So, we need to be on the forefront on this matter.

On the issue of regional industrial training, quite a number of provinces and right now we have been given additional sub-provinces, we need quite a number of these regional training institutes to be taken to those people. For example, in the arid and semi arid lands (ASAL), I am not aware of any KITI or any big industrial training college in those sides. We want to see some of these industrial colleges taken to that part.

With those few remarks, I totally support.

Mrs. Shebesh: Thank you, Mr. Deputy Speaker, Sir. I want to support this Vote but with a very heavy heart because I realized that we are passing a Vote that cannot be effective. It will definitely be ineffective because it is definitely not adequate. I do not know what our rules are in this House but I think that there are some Ministries whose Votes are like this which should really just be approved without having to come to the Floor of the House because obviously these are salaries that we are approving. It is not a Ministry that is going to deliver anything. This is really, I think, the black mark in the

work that was done by the Deputy Prime Minister and Minister for Finance. The fact that he allocated such a Ministry these amounts of money, means first and foremost, that we are not committed to the issue of creating employment in this country. I think that is lip service. This is being demonstrated by the kind of money put into such an important Ministry. But the other reason why I am very disappointed is because within this Ministry sits one of the few female PSs that we have.

(Applause)

As a woman, I am totally disappointed about giving capable women, who have delivered on very many fronts, Ministries with no money just so that you can keep saying that women are not delivering. We are tired and fed up! We are asking for the transfer of this PS to a Ministry that is given money so that she can prove who she is because we know her and we know she is capable. But to give her Ministry money for her to pay salaries is something that I think is just demeaning women and women in leadership and I think that should be put on record that we expect to be given same treatment irrespective of whichever Ministry a woman is heading.

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, I really do not see what to speak about this Ministry, to be quite honest. I think we are only pretending here to raise issues when there is no money. I would speak so many things if I could see the potential of it being taken in but I see no potential. So I just want to speak about the Bill that is hanging around somewhere in this Ministry of Labour and ask them to release it. I am begging them because they are here because within it, it will not move and young people need it. We need to create jobs. It will not happen within the Ministry of Labour. They are not taken seriously by the Government, so let us take it to the Ministry of Finance so that they take responsibility for creating jobs for young people in this country.

With those few remarks, I beg to support.

The Assistant Minister, Office of the Prime Minister (Mr. Khangati): Thank you very much, Mr. Temporary Deputy Speaker, Sir. I also want to join others who have said that it is regrettable because the Ministry has not received the required funds to undertake its mandate successfully.

Mr. Temporary Deputy Speaker, Sir, before I came to Parliament, I was the Secretary-General of the Union of Kenya Civil Servants and, therefore, on several occasions, I was able to engage the Ministry on various issues affecting the workers. It is very regrettable because the Ministry, in reality, does very little to support workers. For example, we have Government workers or civil servants who have been underpaid for many years and nothing much has been done. We have civil servants who are supposed to push forward the Government agenda in terms of implementing Government policies and who, up to now, do not receive what they consider to be their right. For example, when senior civil servants are paid commuter allowance, the junior officers who need that

commuter allowance are not paid and yet, it is something that is already written in the Code of Regulations. The Ministry has kept a “mum position” in that respect. But they need money to employ many labour officers and inspectors to ensure that what goes on in the factories is beneficial to Kenyans.

Mr. Temporary Deputy Speaker, Sir, we have heard here that our country has put in place Vision 2030, which is aimed at making Kenya a highly industrialized and productive country so that our economy could be as strong as possible. It is not going to be possible for us to achieve even 20 per cent of what we hope to achieve by Vision 2030, if the Ministry of Labour is not facilitated to play its role. One, the so-called “industries” that employ our people have very poor working conditions. The workers are demoralized and, therefore, their level of productivity is low. Their level of creativity has also been compromised. So, if this country has to compete with other countries, it is important that workers are paid well. They should be well remunerated for what they are doing. That way, they will become as creative as possible.

Mr. Temporary Deputy Speaker, Sir, there are issues that are addressed internationally. There is child labour, equality in terms of employment and wage remuneration. In that regard, I am talking about female workers. Kenya, being a signatory to the International Labour Organization (ILO) Convention, only gives lip service to that.

(Applause)

But in reality, the Kenyan Government does not enforce those things.

Mr. Temporary Deputy Speaker, Sir, as much as we are saying that we need more employment, we have so many young people who are employed and are being exploited. They have become frustrated. So, what do they do? They cannot continue in their employment. Some of them go to the streets to become robbers, carjackers and criminals.

With regard to women, Mr. Temporary Deputy Speaker, Sir, when they are not properly paid, some of them go to the streets and become prostitutes. That is why we are faced with those social evils!

(Applause)

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

The Assistant Minister, Office of the Prime Minister (Mr. Khangati): With those few remarks, Mr. Temporary Deputy Speaker, Sir, I beg to support.

The Temporary Deputy Speaker (Mr. Baiya): Proceed, hon. Laboso!

Dr. Laboso: Thank you Mr. Temporary Deputy Speaker, Sir, for allowing me to contribute to this important Ministry. As others before me have spoken, honestly, the Government is not taking this Ministry seriously. If they were taking it seriously, they would not allocate it the peanuts it has. This is not acceptable for such an important Ministry to be under-resourced. This is unfair. We pride ourselves as a country with highly trained human capital, but which in most cases is unable to be engaged or get the jobs that they require. I hope this Ministry will assist us to come up with policies that can synchronize the kind of personnel that we are churning out of our colleges and universities. What we churn out must be synchronized with what we need in the market.

I strongly believe that if there is harmonious working relationship between the education sector and this Ministry, we will know what we are training for and what we are lacking. The Ministry seems not to have a mandate because training is a component in the other Ministries. Therefore, each Ministry feels that it does not need the Ministry of Labour. We should harmonization this. We should decide which “Ministry training” should fall under. If this Ministry will handle the issues, then let it be allocated enough resources.

With regard to the wage bill and productivity, again, we need very clear policies on this. We know the wages and salaries the people in this country receive. They are definitely not commensurate with the work they do. At the same time, we should not forget the employers. How much profit should they make? I believe the Ministry can address all these things through its policies and Bills. However, that cannot happen until we begin to take it seriously by allocating it more money. We need to raise the morale of the officers in this Ministry so that they deliver.

With those few remarks, I beg to support this Motion.

Mr. Mututho: Thank you, Mr. Temporary Deputy Speaker, Sir. I join the hon. Members who are literally mourning this budget. Looking at the whole thing, you get surprised at who works where and what they do there. I am saying this to the people who work at the Treasury. I am glad they are here. There are problems when you allocate 0.01 per cent of the Budget to this Ministry. The first problem I assume you have is that you do not know the five factors of production which are entrepreneurship, capital, land, labour and climate. If you look at any country, you will realise that the biggest resource it has is her people - the human resource. The Treasury has allocated 0.01 per cent of the total Budget to this Ministry and it expects this honourable House to endorse the same and say that we have the Ministry of Labour. I think, we not only need to think outside the box, but also invent ourselves and have a metamorphosis. If I may repeat it for the purpose of the record, “metamorphosis” is a process through which a caterpillar which is a very ugly animal becomes a butterfly and flies. That is what we need to look at.

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

[Mr. Deputy Speaker resumed]

Mr. Deputy Speaker, Sir, it is very sad that we have to sit here. Look at Naivasha, with 70,000 workers and one Labour Officer, who does not even have a motor vehicle of a motorbike. That is the situation we are talking about. What can he do? He will simply sit there and get blamed forever. I support this Vote because I have to, because the Bible says: “Those who have little can also lose it because those who have more will always get more.”

With those remarks, I beg to support.

Mr. Muthama: Ahsante, Mhe. Naibu wa Spika. Nimefurahi kupata nafasi ya kuichangia Hoja ya Bajeti ya Wizara ya Leba ambayo ni Wizara muhimu sana katika taifa letu.

Ningependa kumfahamisha Waziri kwamba wananchi wa Kenya wameshindwa kuelewa ni kwa nini kubuniwa kwa nafasi za kazi zinazohitajika hakujatekelezwa na

Wizara hii. Ninasema hivi kwa sababu kile kinachouma zaidi miongoni mwa wafanyikazi ni kukosekana kwa mapato ya maana. Wafanyikazi nchini wameitegemea Wizara hii miaka nenda, miaka rudi, iyachangie mahitaji yao.

Kinachouma zaidi ni kwamba kufikia sasa tumeshuhudia kufanyika kwa migomo ya kila aina siyo kwenye sekta ya kibinafsi peke yake bali pia katika sekta ya umma. Kuanzia kwenye vyuo vyetu vya elimu, imekuwa ni lazima wakufunzi katika vyuo vikuu wagome ndipo waweze kusikika wakidai nyongeza za mishahara. Hilo ni jambo ambalo halifai.

Kwa hivyo, inafaa Wizara hii iamue bila ya kupoteza wakati kwamba wananchi wote wa Kenya ni sawa, bila ya kujali aliye juu na aliye chini. Ni jukumu la Wizara hii kuona kwamba imerahisisha kusikizwa kwa kilio cha Wakenya. Hatuwezi kuwa na nchi ambayo ina mwananchi anayelipwa mishahara wa Ksh3.5 million kwa mwezi na mwingine anayelipwa Ksh5,000 kwa mwezi.

Katika masoko ya vyakula, na haswa wakati huu wa shida, hakuna soko la mtu anayelipwa Ksh5,000 kwa mwezi na soko la mtu anayelipwa Ksh3.5 million. Ni jukumu la Wizara hii kuona kwamba imeweka viwango vya mishahara ambavyo havina tofauti kubwa sana. Wale wanaolipwa mishahara ya Ksh5,000 kwa mwezi ni wazazi. Kama ni mwanamume, yuko na familia yake. Yuko na watoto ambao wanahitaji kwenda shuleni.

Juzi, wafanyakazi wa shirika letu la ndege waligoma. Hata mimi nilisikitika sana kusikia kwamba katika shirika hilo, kuna mtu ambaye analipwa mishahara wa Ksh1.5 million na mwingine ambaye analipwa Ksh8,000 kwa mwezi. Tukiwa taifa, ili Wizara hii kuonekana kwamba inafanya kazi, ni lazima izingatie suala la kuweko kwa mpangilio unaofaa wa mishahara ya wananchi wetu, wawe ni wafanyikazi wa shambani, wafagiaji au askari.

Inawezekanaje kwamba tukiwa hapa, tunaongea juu ya ulaji rushwa na magendo halafu askari anayefanya kazi katika kitengo chetu cha kuangalia masuala ya rushwa analipwa Ksh7,500, huku anayemsimamia askari huyo analipwa Ksh700,000? Askari huyo anayelipwa Ksh7,500 ndiye anayetumwa kwenda kuwachunguza wezi. Mwizi anajua kwamba yule mtu anayakwenda kumchunguza ana njaa. Askari anapofika kwa mwizi huyo, kitu cha kwanza ambacho mwizi anafanya ni kumpa askari pesa za kwenda kula.

Askari huyo analipwa mishahara wa Ksh7,500, na ameenda kuchunguza mtu aliyeiba Ksh20 million, kisha anapewa Ksh50,000!

Kwa hivyo, Wizara hii inafaa kuona kwamba mambo haya ya mishahara yamerekebishwa kabla ya wafanyakazi kutoa fujo na kugoma. Ni haki ya wanafanya kazi wote kupata mishahara mizuri. Wananchi wanajua kwamba sisi hupata mishahara mikubwa. Wao hulipa kodi ili tupate mishahara hii. Ni jukumu ya Wizara hii kuhakikisha ya kwamba matatizo yote ya mishahara yanatatuliwa ili tuepukane na migomo.

Bw. Naibu Spika, watu wetu wanaajiriwa kufanya kazi katika mataifa ya kigeni. Baadhi yao huwa watumwa katika mataifa hayo. Ni juu ya Wizara hii kuhakikisha ya kwamba watu ambao wanakwenda kufanya kazi katika mataifa hayo wanapiga sahihi mikataba kabla ya kuajiriwa. Ni aibu kwa baadhi ya Wakenya kuwa wanafanywa watumwa na Serikali yetu inanyamaza bila kuwatetea. Ni lazima kuwe na mikataba ya kulinda haki zao. Ningehimiza Serikali kuwa na mikataba na nchi za kigeni kabla watu wetu kusafiri kutafuta kazi.

Kwa hayo machache, ninaunga mkono.

Mr. Baiya: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute. I want to support this Vote. I also agree with my colleagues who have expressed their concern about the deplorable condition faced by workers in this country. This situation is so worrying.

Even though this Ministry is under-funded and cannot really perform fully to fulfill its mandate, it can still do something. There is a serious problem of attitude. I have in mind the practices in the district level. Whenever a complaint is brought to Labour Inspectors' attention by an employee or when there is a dispute between an employer and an employee, they instinctively support the employer. It is as if they do not really recognize that a lot of value would be added in ensuring that workers are treated humanely and that their rights are respected.

It is a big challenge that the Government has not seen the need to properly fund this Ministry. So, this attitude transcends from the employers of various categories, including the Government. If this country wants to develop, we must change our attitude towards our workers. We must change our attitude towards the labour force.

Mr. Deputy Speaker, Sir, what is even worse is that in these times of economic crisis we cannot hope and expect workers will take all kinds of inconveniences and disadvantage, while lying down when others who are well placed, are compensated. All employees are expected to survive even when inflation and other adverse changes come about. There is a limit to how far you can push people as we have seen in the case of the Kenya Airways staff. We may think they went too far, but those kinds of disparities are not understandable and cannot be tolerated in a modern society. We expect the Ministry to train labour officers. Is it that there are no people who are willing to be trained as labour officers? There are certain things that do not add up.

Coupled with this is the way we treat the funds for employees, like retirement benefits. For example, NSSF has always been a cash cow. The cash cows are not workers. They are employers. They are the people who have the responsibility to ensure that the rights of employees are respected.

It is very tragic when we hear that all financial crises affect the workers funds in one way or another. This is the reason workers feel that their rights are being violated, left, right and centre.

We need to press this Ministry to ensure that all labour laws that have been passed in this Parliament are implemented to the letter.

We have also even seen the clamour by the Federation of Kenya Employers (FKE) to seek to have those rules changed. I think it would be very bad impression if we pass legislation only to retract on what this House passed. The Ministry should, therefore, take a firm stand. This House passed that legislation and until and unless amendments have been made, the Ministry should not be speaking as if it is willing to negotiate with employers to amend the laws through the backdoor. That will be very dangerous because that is the first step to ensuring the laws will not be respected.

The Ministry should stand firm and ask the employers to enforce the law as it is. If there are any changes, it is not for the Ministry to amend it before bringing them to this House. In light of the fact that the history of labour in this country has been so---

With those few remarks, I beg to support.

Mr. Midiwo: Mr. Deputy Speaker, Sir, I also rise to support this Motion. However, I want to say that something is not adding up. A scenario where a Ministry is

not given any money even to operationalize the laws is very difficult. I think this Ministry is under-staffed given the level of workforce. It would be fair to say that the Ministry of Finance has its people here and we are looking forward to adjustments upwards in the Supplementary Budget so that the Ministry can begin to work for our people. So far, what has been said by my colleagues, if you go to complain in a labour office, first, you are a criminal. However, there are some cases where people complain unnecessarily. We need both employers and employees to know that there is an arbiter, which can work well for us. Why would we not want to facilitate them? Why would we want to import a million bulbs? This thing bothers me; that in a budget somebody wants to import light bulbs and not fund the Ministry of Labour. If you funded the Ministry of Labour, employers will be able to pay people and people will be able to buy their own bulbs. I do not think our people want to be beggars. Our people want good working conditions so that they can work and participate in the economy.

I always wonder which mode we are going to use to give somebody in Siaya, for example, a light bulb. It looks cheap, ill conceived and I do not think a Government should operate like that. I think we need to be fair.

Mr. Deputy Speaker, Sir, I want to raise one issue which I think is really hurting our workers. This is the issue of foreigners working in this country at all levels. If you go the Intercontinental Hotel and Hilton Hotel, which are Government hotels, even chefs and heads of beverage are foreigners. These are Government hotels and these foreigners are given work permits by this very Government. Something weird is happening because there are no jobs in Italy, Italians are now working in our hotels. The Ministry of State for Immigration and Registration of Persons is giving them permits. The Ministry of Labour is not even checking because many of them are here illegally. Something ought to be done. I have raised this issue with the Minister before but nothing seems to be changing.

Our people are losing jobs by the day in these hotels. These are quality jobs and yet we say we cannot create jobs. This is not a free for all country. But if it is, let us declare it free for all. We have our own qualified people living in United States of America (USA) and Europe because the job market here has shrunk. We need to create a scenario where they can come in and we absorb them with dignity.

Mr. Deputy Speaker, Sir, I want to go on record that something is happening in the hotel industry which is not right. If you go the beach hotels, you will find that those who work there are paid peanuts. You cannot tell me that beach hotels are not making money. In fact, I raised this issue in the debate for the Ministry of Tourism. They are making a lot of money except that it is left in Europe. The Office of the Deputy Prime Minister and Ministry of Finance must do something. The Ministry of Labour must do something and the Ministry of State for Immigration and Registration of Persons must stand up and be on the side of Kenyans and not on the side of foreigners. We have to protect our people. I think it is the duty of this House to protect the people of this country. We can do that.

Mr. Deputy Speaker, Sir, the Ministry of Tourism needs to hire people from the local level so that people can position themselves now that the Office of the Deputy Prime Minister and Ministry of Finance has allowed people to get tax incentives for investing in rural areas.

With those many remarks, I beg to support.

Mr. M'Mithiaru: Thank you, Mr. Deputy Speaker, Sir. I also rise to support the Motion for the Vote of the Ministry of Labour.

This Ministry, with its financial constraints, has done a commendable job. First, I know that for the last few years, they have been trying to codify the very many laws of labour into some simpler documents. I am sure that this is ongoing. I also know that they have brought up issues like we hear of today, the paternal leave, which came from the Ministry. The Ministry should courageously implement the laws which have been passed by this House without any recourse at all unless amended.

Let me also commend the Ministry for the harmonious industrial relations that prevail in the country today. However, I will be quick to say that the harmony we are experiencing does not mean that things are very good. The problem is that we are in what we call an employer's market. There is mass and acute unemployment and, therefore, our youth and all those people who are leaving school have no work to do and whatever little job they get is what they go into. The conditions are terrible, the pay is terrible but because they need to get the daily bread, they have to abide by the very harsh conditions that there are.

We know that there are minimum wages and conducive environment to work under. However, people persevere because they need daily bread. Out of that, we hear of people getting stressed at the places of work and others getting sick because of the unhealthy conditions that they work under. This is the area that the Ministry should have enough funds to deal with. All these things would not be happening if the Ministry was able to employ many labour officers who can visit places of work and ensure that in various work areas, workers are under the required environment and that the pay they get is in accordance with the minimum wages and all that. Since there are no funds for labour officers to visit all these places, you will find that people have no recourse because going on strike would also mean that they would not have bread for that day.

I am just from Mombasa and there are some employees who have been working for the last six months without pay. They are now in the streets. For those who read today's paper, you must have seen that one of them collapsed because of hunger. This is because of the harsh conditions that I have just talked about. It is also because the Ministry of Labour is not empowered to ensure that they can monitor what is happening in each and every work place.

This Ministry is called the Ministry of Labour. We know that in any firm, as long as you are not talking about human resource development, then you are not in business. I am sure that if we can empower this Ministry and ensure that the human resource development aspect of it is taken care of, then in terms of productivity and development of this country we will see what we have not seen before in terms of development.

With those few remarks, I support.

Mr. Kathuri: Thank you, Mr. Deputy Speaker, Sir, for allowing me to also contribute to this important Vote.

From the outset, I would like to say that the Ministry is grossly under-funded. Of course, Kshs789 million is too little if at all we need to see serious work being done. If we need to see or have lesser labour disputes, there must be people to address them before they arise. If we need to see discussions between labour officers and staff from various places, we need to see a higher number of staff being recruited.

Mr. Deputy Speaker, Sir, while the Ministry has a lesser number of staff than it should have, it is also good to admit that there are some areas where we think that it is not thinking out of the box. A good example is the National Social Security Fund (NSSF). We know that our Government needs money to pay pensioners. This is the case and yet if you have an organization which was registered some years back, has been in existence and has not complied, you will be tossed around if you voluntarily go to the NSSF offices to apply to become a contributor. You will be asked: "Where have you been for the last five or ten years?" This is the case and yet you may have been struggling to survive. Somebody tries to pin you down by asking you this question. That is not moving in the right direction. We need to see the Ministry being proactive. It should encourage those who are willing to voluntarily join the NSSF or contribute on behalf of employees. I was once a victim. It is good to be sincere. It was not easy for us to join.

I think the Ministry can do more than it is doing now with regard to labour disputes. I do not know why it is difficult for the Ministry to think in terms of how it can structure payment of salaries and wages in a different way. This is very worrying. Now, we are talking about the Kenya Airways being forced to review salaries through the courts, and yet it is making losses. I wonder what will happen next year. If it continues making losses, that airline will easily go under. If it goes under even those employees who are clamouring for higher salaries will go home with nothing. This is a very worrying situation. The Ministry should know exactly when to allow even the courts to award higher salaries. The employees may deserve a better salary but there can be a way of working out that formula. When companies are making profits, let them pay more in form of bonuses. When they are making losses, let them be left to go scot-free as long as you also ascertain that they have not inflated their bills to make sure that they do not declare profits. This is not difficult to prove because every employee in a company will be the custodian of the documents which can be doctored. If the documents are not doctored, profits will be very clear, and a company which makes profits should be able to pay its employees well.

The company that is not making profits is like milking a cow which is already dry and is not even fed. What do you expect? You can only milk blood. It cannot happen. That is an issue which the Ministry must think and think outside the box because we have to get rid of that problem. The other day we saw the Chief Executive Officer (CEO) saying that there is going to be a disaster. We are worried because some of us are investors there and we do not want it to happen. That is an issue that we cannot continue ignoring. The Ministry must think outside the box. It is also important for me to declare here and now that the issue of the Ministry not commenting about the retirement age shooting to 60 years is not proper. I do not know why you are keeping quiet. We have many young people who are not working. They are jobless and yet the Ministry is quiet. We are waiting for the day that you are going to bring that Bill here. Some of us are not good at talking but expect a lot of fireworks. We will not support the age 60 years as the retirement age of civil servants.

Mr. Deputy Speaker, Sir, regarding the issue of salary variance, it is important that we admit that we are well paid and we thank God for our predecessors. It is also good to realize that the variance is too big. Why should the Permanent Secretary and a messenger or driver working for him have a discrepancy of more than 20 times? Surely, the two people eat the same food so they need the same---

Mr. Deputy Speaker: Order, Hon. Member for Manyatta! Your time is up!

Mr. Kathuri: Mr. Deputy Speaker, Sir, with those few remarks, I support.

Mr. Magwanga: Mr. Deputy Speaker, Sir, thank you for giving me this opportunity to support Vote 15 of the Ministry of Labour. This is a very important Ministry as far as I am concerned and as far as this country is concerned but it is being under-funded. Let it go on record that this Ministry is marginalized. I wish that even the one who allocated these funds would have manned a similar figure in his Ministry.

Mr. Deputy Speaker, Sir, let me say that the under-funding in this Ministry will actually lead to lack of inspection in our work places, including in the Ministry of Finance because it is the Ministry which also inspects the offices of the Ministry of Finance and also develops human resources in those Ministries. So, I strongly feel that the Ministry of Finance would have actually increased the allocation to this Ministry. Under-funding leads to job insecurity in this country. A number of the citizens of this country are being sacked left and right because they are dissatisfied with poor pay. When they come out to demand for their rights they are sacked. I wish to say that this Ministry should have been allocated more funding in order to improve inspection in workplaces, factories and be able to solve industrial disputes in this country.

Mr. Deputy Speaker, Sir, there is lack of safety measures in our workplaces because this Ministry has not been facilitated it. You will find that in most cases, one District Labour Officer operates in over 20 districts without a vehicle. How do you expect a labour officer to move by foot or trek to inspect 20 districts in this country? It is impossible!

So I would actually wish to say that the Ministry of Finance should do something about this Ministry.

Mr. Deputy Speaker, Sir, lack of inspection and facilitation has actually led to brain drain in this country. We have lost a number of our professionals to other countries because they are not being paid well in this country. This one has made Kenya a developing country and it will continue to be a developing country maybe until after 2030, which we are saying that we are dreaming or hoping to achieve something by the Vision 2030. It will actually not be realized unless this Ministry is fully facilitated.

Mr. Deputy Speaker, Sir, I want to say that there is no country that can develop without funding the *Jua Kali* sector. Most of the imports we receive in this country are just products of *Jua Kali* sectors from those foreign countries.

(Applause)

If we do not develop the *Jua Kali* sector in our country, there is nowhere we are going. We must develop our own and export the same in order to earn foreign exchange to develop this country. So, the Office of the Deputy Prime Minister and Ministry of Finance should have funded the *Jua Kali* sector which falls under the Ministry of Labour in order to improve the *Jua Kali* sector. The *Jua Kali* sector has employed our own people. If that is not done, we are doomed.

With those few remarks, I beg to support.

Mr. Nyambati: Mr. Deputy Speaker, Sir, I wish to also take this opportunity to support this Vote and at the same time decry the fact that it is underfunded. I think it is

the duty of this Government, especially the Office of the Deputy Prime Minister and Ministry of Finance to ensure that this Ministry is funded properly.

Mr. Deputy Speaker, Sir, it is important for this Ministry to continually review the issue of minimum wage. Considering the fact that we are faced with inflation, it is important that we anticipate and review the salaries and remuneration of our workers in all sectors of this country. A case in point is what has been talked about that of the Kenya Airways (KQ) where the company was totally grounded simply because the management is not anticipating or reviewing the workers' salary and other benefits that they should be getting.

As many speakers have supported this Motion, I want to support it and say here and now that it is about time that this Ministry reviews the work permits for foreign companies which sent their expatriates to this country. A case in point is that of the insurance industry where we have a company like Kenindia Insurance Company which keeps bringing Indians from India of even sub-standard qualifications to come and work in this country when we have people who are qualified and who should work for this country. I think it is about time that we have labour laws which govern the issuance of work permits in conjunction with the Ministry of State for Immigration and Registration of Persons. We should only get expatriates who should come here to work when we do not have that kind of experts in the country.

But now, this country has enough experts to work in all the sectors of the economy. Kenya is one of the countries that have enough manpower.

Mr. Deputy Speaker, Sir, even as we support this Vote, it is important for the Ministry to be helped to streamline the parastatals that are within its mandate like the National Social Security Fund (NSSF), so that they can give proper services to the people of this country. It is extremely important that the Ministry of Labour be taken very seriously. It should be supported because it must develop the manpower in this country. We must rely on the Ministry to ensure that this country runs well.

Mr. Deputy Speaker, Sir, I do not think that the extension of working period from 55 years to 60 years is a prudent idea at this time because we have so many young Kenyans who need jobs. If you look at the economy of Kenya, it is not prudent to extend the working years to 60 years at this time. I think it is important to take care of our youth who are out there. They need to work because they are productive. They should be helped to get some employment in this country.

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

Prof. Kaloki: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to Vote 15 - Ministry of Labour. I rise to support this Motion with some reservations. If you look at the amount of money allocated to that Ministry and compare it with other Ministries, it is far much below the mark. To attract foreign direct investments to this country, we need to have well trained employees. We need to have employees with the capacity to undertake some of the assignments from multinational corporations.

Mr. Deputy Speaker, Sir, what has been happening in this country for so many years will continue – the brain drain. There is no way you can retain Kenyans here when there are opportunities somewhere else. Those countries train their employees and also make it possible for their companies to go to other countries to invest and make profits. Other countries are taking Kenyans and training them. That means they leave the country,

get trained elsewhere and get jobs. We need to realize that we are living in a global village. That means, as a country, we need to make our employees competitive enough to work here and elsewhere. So, that is why we need to fund that important Ministry. It will ensure that our employees are capable of working elsewhere. We cannot put a gauge and say: "You cannot leave the country. You have to stay here." We cannot do that. We have to be competitive and, that way, our employees and Kenyans will stay here. The country will be able to grow.

Mr. Deputy Speaker, Sir, on the issue of Vision 2030, there is no way we will be able to attain that if we continue to fund that important Ministry with such an amount.

I propose that in future we allocate this Ministry Kshs5 billion so that it can carry out its mandate and be competitive. That way, Kenyans will be fully trained and even companies from outside will be attracted to this country.

Mr. Ethuro: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for my good friend to be speaking from the Minister's position? When was he appointed a Minister and by who?

Mr. Deputy Speaker: Hon. Prof. Kaloki, indeed, you cannot address the House from the right of Mr. Speaker. So, can you go to the back and complete your contribution!

(Prof. Kaloki moved from the Dispatch Box to a microphone in the Front Bench)

Order, Prof. Kaloki! The entire Front Bench is considered to be for the Cabinet!

Prof. Kaloki: Mr. Deputy Speaker, Sir, I am not a Minister, but it has been our practice lately to contribute from the Dispatch Box. I was just keeping that practice.

In conclusion, this Ministry is important and it requires adequate funding.

I support the Motion with reservations.

Mr. Deputy Speaker: I call upon the Minister to reply.

The Assistant Minister for Labour (Mr. Ojaamong): Mr. Deputy Speaker, Sir, I would like to thank all the hon. Members who have contributed in support of our Ministry today. I would like to start with Mr. Bifwoli who talked about raising the minimum wage. Indeed, we are not playing with this matter. During the Labour Day celebrations, we had a good package for Kenyans with regard to the minimum wage, but unfortunately the crowds went rowdy and stoned us. As a Ministry, we have gazetted the minimum wages for all categories of employees be they housemaids or workmen. We will table that in Parliament very soon.

Most hon. Members have discovered that the Ministry is grossly under-funded. Thanks to the Parliamentary Staff. I was in the last Parliament and we never managed to debate the Vote of the Ministry of Labour. This time, we are doing just that. The whole country has seen that the Ministry, despite being key in dealing with employers and employees, it is grossly underfunded. The officials of this Ministry presented to the Ministry of Finance a very good budget, but it was rejected. Nonetheless, our budget moved a bit higher this financial year. We hope, as has been requested by hon. Members, the Ministry will be allocated sufficient funds during the Supplementary Budget.

Mr. Deputy Speaker, Sir, I would also like to thank the Chairperson for the Departmental Committee on Labour and Social Welfare. We went through the budget and she supported what the Ministry proposed.

With regard to the NSSF, since we took office in the last two-and-a-half years, despite the problems that we have had, we have tried to streamline the Fund so that it can offer better services to the people. For the first time, we have recruited a Managing Trustee competitively and he has swung into action. We hope very soon members of the public will realise that the NSSF has started delivering.

Mr. Deputy Speaker, Sir, for the people who retire and require their funds, we have reduced the claim period to slightly over 20 days within which one can get one's contributions and interest.

Regarding the issue of corruption, of course, the NSSF was a cash cow during those days of impunity. However, presently, even as a Minister, it is very difficult for one to get Kshs10 from the NSSF. A lot of reforms are taking place there. It is no longer a cash cow. We are trying to streamline operations at the NSSF.

Mr. Deputy Speaker, Sir, about the issue of our people who go to work in foreign countries, as I mentioned when I was moving debate on this Motion, we are going to have a labour policy that will pave the way for labour attachés in foreign countries to see how Kenyans working in foreign countries are fairing on.

On the issue of disparities in salaries, just recently, my Ministry launched the Wages Councils. These councils are now operational. We are just waiting for funds, so that they can start reviewing salaries and advise the Government appropriately.

About the issue of suffering of some workers, as mentioned by Mr. Midiwo and the rest, we keep on trying to inspect workplaces. Personally, I have visited several of them at the Coast. Where we have visited, we have seen remarkable improvement. So, it is the duty of Members of Parliament, whenever they detect such situations, to inform the Ministry, so that we can send out inspectors to find out how exactly the workplaces and employees are.

Mr. Deputy Speaker, Sir, our officers are here, and have taken note of all the contributions that hon. Members have made. We are going to act on the issues that have been raised and see that we have good industrial relations in our country.

With those few remarks, I beg to move.

(Question put and agreed to)

[Mr. Deputy Speaker left the Chair]

IN THE COMMITTEE

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

Vote 07 – Office of the Deputy Prime Minister
and Ministry of Finance

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance (Dr. Oburu): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, a sum not exceeding Kshs21,242,940,520 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 07 – Office of the Deputy Prime Minister and Ministry of Finance

(Question proposed)

VOTE R07 – RECURRENT EXPENDITURE

SUB-VOTE 070 – GENERAL ADMINISTRATION AND PLANNING

(Head 135 agreed to)

(Sub-Vote 070 agreed to)

SUB-VOTE 071 – FINANCIAL SERVICES

(Heads 136, 137, 138, 139 and 817 agreed to)

(Sub-Vote 071 agreed to)

SUB-VOTE 075 – CENTRALIZED SERVICES

*(Heads 153, 155, 156, 157, 158,
159, 162, 163 and 171 agreed to)*

(Sub-Vote 075 agreed to)

SUB-VOTE 076 – GOVERNMENT INVESTMENT

(Head 164 agreed to)

(Sub-Vote 076 agreed to)

SUB-VOTE 077 – INVESTMENT REGULATORY SERVICES

(Head 165 agreed to)

(Sub-Vote 077 agreed to)

(Vote R07 agreed to)

VOTE D07 - DEVELOPMENT EXPENDITURE

SUB-VOTE 070 – GENERAL ADMINISTRATION AND PLANNING

(Head 135 agreed to)

(Sub-Vote 070 agreed to)

SUB-VOTE 071 – FINANCIAL SERVICES

(Heads 136, 137 and 138 agreed to)

(Sub-Vote 071 agreed to)

SUB-VOTE 075 – CENTRALIZED SERVICES

*(Heads 155, 157, 158, 162,
163, 171 and 279 agreed to)*

(Sub-Vote 075 agreed to)

SUB-VOTE 076 – GOVERNMENT INVESTMENT

(Head 164 agreed to)

(Sub-Vote 076 agreed to)

SUB-VOTE 077 – INVESTMENT REGULATORY SERVICES

(Head 165 agreed to)

(Sub-Vote 077 agreed to)

(Vote D07 agreed to)

(Question put and agreed to)

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance (Dr. Oburu): Mr. Temporary Deputy Chairman, Sir, I wish to thank hon. Members for giving the Ministry this---

The Temporary Deputy Speaker (Mr. Ethuro): Order, Mr. Assistant Minister! Move your Vote. You can approach the Clerk for further guidance.

Vote 15 – Ministry of Labour

The Assistant Minister for Labour (Mr. Ojaamong): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, a sum not exceeding Kshs789,330,950 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 15 – Ministry of Labour

(Question proposed)

VOTE R15 – RECURRENT EXPENDITURE

SUB-VOTE 150 – GENERAL ADMINISTRATION AND PLANNING

(Heads 480, 604 and 650 agreed to)

(Sub-Vote 150 agreed to)

SUB-VOTE 151 – INDUSTRIAL RELATIONS

*(Heads 041, 484, 485,
486, 487 and 735 agreed to)*

(Sub-Vote 151 agreed to)

SUB-VOTE 152 – DIRECTORATE OF OCCUPATIONAL HEALTH AND SAFETY SERVICES

(Heads 492 and 493 agreed to)

(Sub-Vote 152 agreed to)

SUB-VOTE 153 – HUMAN RESOURCE PLANNING AND DEVELOPMENT

(Heads 515, 516, 517 and 521 agreed to)

(Sub-Vote 153 agreed to)

SUB-VOTE 154 – DEPARTMENT OF MICRO AND SMALL SCALE ENTERPRISES DEVELOPMENT

(Heads 632, 818, 821 and 822 agreed to)

(Sub-Vote 154 agreed to)

SUB-VOTE 155 – DEPARTMENT OF INDUSTRIAL AND VOCATIONAL TRAINING

(Heads 607, 677, 680, 682, 683, 684, 686,

687 and 693 agreed to)

(Sub-Vote 155 agreed to)

(Vote R15 agreed to)

VOTE D15 - DEVELOPMENT EXPENDITURE

SUB-VOTE 150- GENERAL ADMINISTRATION AND PLANNING

(Head 480 agreed to)

(Sub-Vote 150 agreed to)

SUB-VOTE 151 – INDUSTRIAL RELATIONS

(Heads 484, 486 and 487 agreed to)

(Sub-Vote 151 agreed to)

SUB-VOTE 152- DIRECTORATE OF OCCUPATIONAL HEALTH AND SAFETY SERVICES

(Head 492 agreed to)

(Sub-Vote 152 agreed to)

SUB-VOTE 153- HUMAN RESOURCE PLANNING AND DEVELOPMENT

(Head 517 agreed to)

(Sub-Vote 153 agreed to)

SUB-VOTE 154 – DEPARTMENT OF MICRO AND SMALL SCALE ENTERPRISES DEVELOPMENT

(Head 632 agreed to)

(Sub-Vote 154 agreed to)

SUB VOTE 155 – DEPARTMENT OF INDUSTRIAL AND VOCATIONAL TRAINING

*(Heads 607, 682, 684, 686 and
687 agreed to)*

(Vote D15 agreed to)

(Question put and agreed to)

*(Resolution to be reported
without amendment)*

(The House resumed)

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

REPORTS

Vote 07 – Office of the Deputy Prime
Minister and Ministry of Finance

Mr. Ethuro: Mr. Temporary Deputy Speaker, Sir, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs21,242,940,520 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 07 – Office of the Deputy Prime Minister and Ministry of Finance and has approved the same without amendment.

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance (Dr. Oburu): Mr. Temporary Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution.

The Assistant Minister for Labour (Mr. Ojaamong) seconded.

(Question proposed)

(Question put and agreed to)

Vote 15 – Ministry of Labour

Mr. Ethuro: Mr. Temporary Deputy Speaker, Sir, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs789,330,950 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 15 – Ministry of Labour, and has approved the same without amendment.

The Assistant Minister for Labour (Mr. Ojaamong): Mr. Temporary Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution.

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance (Dr. Oburu) seconded.

(Question proposed)

(Question put and agreed to)

ADJOURNMENT

The Temporary Deputy Speaker (Prof. Kaloki): Hon. Members, we have come to the end of today's sitting. Therefore, the House stands adjourned until tomorrow, Wednesday, 19th August, 2009, at 9.00 a.m.

The House rose at 7.43 p.m.