

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday 29th April, 2009

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

COMMITTEE OF SUPPLY

MOTION

APPROVAL OF SUPPLEMENTARY ESTIMATES
(RECURRENT AND DEVELOPMENT)
2008/2009

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Speaker, Sir, this is the Motion on the Supply Estimates for the Financial Year 2008/2009.

Mr. Speaker, Sir, the Budget for the Financial Year 2008/2009 that was presented to this House on June of 2008 was formulated within a fiscal framework aimed at achieving and sustaining macro-economic stability for laying a firm foundation for reducing unemployment and poverty as envisioned under Vision 2030 Medium-Term Plan.

Mr. Speaker: Order, Mr. Minister! Order! Your first duty is to move the Motion, and you seem to be debating before you have moved the Motion.

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): My apologies, Mr. Speaker, Sir.

Mr. Speaker, Sir, I beg to move the following Motion:-

(a) THAT, a sum not exceeding Kshs16,355,411,140 be granted from the Consolidated Fund to meet expenditure during the year ending 30th June, 2009, in respect of Supplementary Estimates of 2008/2009 Financial Year (Recurrent) having regard to the proposed reduction of Kshs15, 633,315,630 therein appearing;

(b) THAT, a sum not exceeding Kshs9,895,900,650 be granted from the Consolidated Fund to meet expenditure during the year ending 30th June, 2009, in respect of Supplementary Estimates of 2008/2009 Financial Year (Development) having regard to the proposed reduction of Kshs11, 695,894,670 therein appearing.

His Excellency the President has given his consent to this Motion.

Mr. Speaker: Very well! Go ahead!

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Speaker, Sir, with your permission now, I beg to move. The Budget for the Financial Year 2008/2009 that was presented to this House on June of 2008 was formulated within a fiscal framework aimed at achieving and sustaining macro-economic stability for laying a firm foundation for reducing unemployment and poverty as envisioned under Vision 2030 Medium-Term Plan. The assumptions underpinning the fiscal framework included an average economic growth of 5.8 per cent for the Financial Year 2008/2009, sustained and enhanced performance of exports and domestic demand and, indeed, sustained political stability.

Mr. Speaker, Sir, the Budget, as presented to Parliament, was made of Recurrent and Development Expenditure amounting to Kshs759.7 billion, of which the net expenditure to be financed amounts to Kshs673.5 billion. This expenditure was to be financed with receipts of Kshs546.5 billion comprising of ordinary revenue of Kshs467.9 billion, Appropriations-in-Aid (A-in-A) of Kshs44.8 billion and donor project grants of Kshs33.8 billion. This left a deficit of Kshs127 billion which we had planned to finance with proceeds from the sovereign bond of Kshs33.6 billion, external borrowing of Kshs25.2 billion, privatization proceeds of Kshs8 billion, domestic long term infrastructure bond of Kshs18.5 billion, net domestic borrowing amounting to Kshs41.6 billion; including refinancing of Kshs5.7 billion.

Mr. Speaker, Sir, whereas I have tried to adhere to the fiscal programme presented to this House in June, 2008 the implementation of the Budget has, indeed, faced numerous challenges which have undoubtedly disrupted the original assumptions that formed the basis of the Budget. Key amongst these challenges are:-

- i. The slow-down in economic growth to now 3 per cent as opposed to the previously envisioned 5.8 per cent associated both with the post-election violence and the global economic meltdown, resulting in a revenue shortfall amounting to Kshs7.2 billion,
- ii. The postponement of the issuance of the sovereign bond for Kshs33.6 billion due to the global financial crisis,
- iii. Delay in the privatization process, thus denying the Exchequer the expected receipts of Kshs8 billion; and,
- iv. Additional requests for resources by Ministries, largely to mitigate the effects of the post election violence, prolonged drought, domestic food production and high fuel and fertilizer prices.

Of the total additional requests amounting to Kshs148 billion, which I have received since July, 2008, the Treasury, working with the Ministries, rationalized and reduced this to Kshs26.1 billion. Rationalizing is mainly to cater for food and fertilizer importation, provision of subsidy on food and fertilizers to make them more affordable to *mwananchi* and the *Kazi kwa Vijana* programme is intended to provide productive employment to our youth.

Mr. Speaker, Sir, arising from the above challenges, the resultant financial gap is, therefore, expected to be Kshs71 billion. To close the financing upward while ensuring that we maintain a stable micro-economic environment, we did institute expenditure

austerity measures through which we have realized Kshs22 billion. This involved cutting non-priority Recurrent Expenditure while postponing some development programmes that were unlikely to start this financial year.

Additionally, we have realized savings on interest payments amounting to Kshs2.8 billion associated with the postponement of the sovereign bond and also on domestic borrowing where we have realized lesser payments as a result of reduced interest rates. In addition, we have realized revenue amounting to Kshs8.1 billion.

Mr. Speaker, Sir, even with these measures, I still have a gap of Kshs38 billion to fill. To ensure that the economy remains on course, I plan to borrow this amount from the domestic market in order to close the gap. We have, however, taken extreme caution to ensure sustainability of the borrowing and gauge its impact on domestic interest rates.

Prudent public finance management demands that the Government lives within its means. We have, therefore, contained our expenditure within the resources available in order to maintain macro-economic stability despite the challenges that I have just highlighted.

Mr. Speaker, Sir, we have made re-allocations within the Budget to provide funding to strategic interventions, which include the following: the *Kazi kwa Vijana* initiative which we have given Kshs3.4 billion, emergency famine relief which will also assist in the purchase of wheat from our wheat farmers worth Kshs1.4 billion, resettlement of Internally Displaced Persons (IDPs), an additional Kshs0.2 billion which brings the total expenditure on IDPs to Kshs1.9 billion; importation of maize worth Kshs1.5 billion; drought-related interventions in water and livestock, Kshs1.6 billion and fertilizer imports worth Kshs2.3 billion.

The Motion, therefore, before this House is seeking the approval for a sum not exceeding Kshs16.3 billion and Kshs9.9 billion from the Consolidated Fund to meet expenditure during the year ending 30th June, 2009 in respect of Recurrent and Development Supplementary Estimates, respectively. I am also seeking approval of the proposed reduction of Kshs15.6 billion and Kshs11.7 billion in respect of Recurrent Development Supplementary Estimates, respectively.

Mr. Speaker, Sir, finally I wish to thank you and the hon. Members for your continued support and with these few remarks, I beg to move.

The Minister for Agriculture (Mr. Samoei): Mr. Speaker, Sir, I rise to second the Motion on the Committee of Supply.

I wish to thank the Minister for Finance for having found it prudent to re-arrange the Budget. I mark his words when he said that he has “postponed”, not necessarily cancelled, certain development projects that are key to turning around this economy.

I also want to appreciate that the Minister has, indeed, provided money both for the importation of fertilizer and maize into the country. This House may want to know that the first one million bags of fertilizer imported into the country was used for the planting season this year, and was actually purchased out of a loan that parastatals, under my Ministry, went to borrow from the bank. If we had waited for money from the Exchequer, we might not have had the necessary fertilizer for us to plant this season. However, I want to thank the Minister because the Government has now provided Kshs2.3 billion. I want to inform the House that, already, the fertilizer has been ordered. In fact, the first consignment arrived last week. The other consignment is arriving on the 15th of May.

I would also like to inform the House that the fertilizer that is arriving on the 15th of May, 2009, will be adequate for both the short rains and the long rains next year. That means that we have now made arrangements for fertilizer both for this year and next year. This will ensure that we do not subject a very important commodity like fertilizer to speculation, which then makes it impossible for us to put under control our food production machine.

Mr. Speaker, Sir, on the importation of maize, I want to thank the private sector because already upwards of 4 million bags have been imported by millers, businessmen and other private sector players. The stability that has been demonstrated in the grain sector is as a result of the efforts of the private sector, in conjunction with the efforts of the Government, to import as much grain as possible and to create the necessary stability, so that we can manage the prices.

Mr. Speaker, Sir, I also want to thank the Deputy Prime Minister and Minister for Finance for lifting Duty on importation of food into the country. Indeed, that has significantly helped in enhancing the supply of food into the country. The issue of food is very central. This is an issue for which we must find a lasting solution. It is not correct that after 45 years of Independence, we still have some of our citizens who cannot access food because either they cannot afford it or they have no food at all.

On one occasion, I was sent to Tanzania to request the President of that country to sell us some maize. It was a very humbling experience, as I waited for almost two days to request to be sold maize. It was a very humbling experience. I do not wish that this country would be placed in such a position again.

Mr. Speaker, Sir, we have the capacity to produce enough food for our country. We have what it takes. We have the land. We have a very hardworking farming population. I want to assure Kenyans that, with the support of this House, my Ministry has made adequate arrangements to ensure that we do not find ourselves in a situation where we have to go to countries begging for food.

We will also be able to re-arrange the Budget, so that we can pay pyrethrum farmers what is due to them. It is the intention of the Government to revive pyrethrum-growing in our country, because this is the single critical crop the international community is looking up to Kenya to produce pyrethrin for purposes of having chemicals that are biodegradable. With the passage of this Motion, we will be able to pay Kshs78 million outstanding arrears for our pyrethrum farmers.

Mr. Speaker, Sir, it is also instructive that, in the Budget, we have money that has been set aside to resettle Internally Displaced Persons (IDPs). This is a critical moment for our country. As we set the stage for agreement in this House, it is important that we put in place the framework for other Kenyans who are not as privileged as we are, who are currently living in conditions that are not humane. We should also cater for them, so that they can go home and help in nation building.

In conclusion, the privatization programme - which the Deputy Prime Minister and Minister for Finance alluded to - that has held back resources that were meant to finance part of the Budget, is a process that this House should revisit. On average, it takes up to 36 months to conclude a privatization programme. That is a very long time, if we have to keep pace with growing trends in the international community. Sometimes, circumstances change so much that by the end of the privatization programme, the initial intention of the privatization programme is lost.

Therefore, it is important for us, as a House, to again look at the Public Enterprise Privatisation Act, so that we can expedite processes that would help unlock the potential of the private sector and its participation in turning around the economy, so that it can expand our job creation network.

Mr. Speaker, Sir, with the economic downturn, and with the challenges that we face, I want to say that every challenge comes with an opportunity. As we go into the Budget this year, and with the input of this House that is imminent, given that this House is positioning itself to have a greater say on how public resources are spent, I want to encourage the Deputy Prime Minister and Minister for Finance to think outside the box, so that we can look at areas where we can bring on board new ideas.

We have committed ourselves, for instance, to enhancing our component of agriculture under irrigation. For the last 40 years, we have depended on rain-fed agriculture. We have very serious challenges because we are limited by factors that are not within our control. My Ministry and the Ministry of Water and Irrigation have already identified 80,000 hectares of land that we want to put under irrigation this year so as to enhance food production and ensure that our food production is stable, and not a subject of guesswork because of relying on rainfall, over which we have no control.

With those many remarks, I beg to second the Motion.

(Question proposed)

The Minister for Foreign Affairs (Mr. Wetangula): Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to this Motion.

I will start by lauding the Deputy Prime Minister and Minister for Finance for reducing the Development Vote by close to Kshs12 billion. We know the difficulties that our country has gone through. We also know the impact on our economy, of issues born elsewhere, ranging from Wall Street Fraud in the United States of America (USA) that has messed up the banking industry worldwide, the oil prices that have become extremely erratic, and internal factors, including drought, shortage of food and many other things. It is important that we pass this Motion so that the wheel of the Government can keep turning until the end of the financial year.

Mr. Speaker, Sir, I also want to laud the Minister for allocating money to the agricultural sector. For a long time, in fact, since Independence, Kenya has always been rightly described as an agricultural country. We produce food for export and domestic consumption. However, it becomes a terrible challenge when a country gets to a level where it becomes difficult to feed its people.

Indeed, one of the neglects that previous successive Governments have had on the people of Kenya is the failure to pay sufficient attention to the farming sector. We fell into the trap of the International Monetary Fund (IMF) and World Bank doses of kicking out the Government from the management of agricultural facilities such as cattle dips and others. We were constantly reminded that the duty of the Government is not to do business and yet out there, farming is heavily subsidized. The provision of subsidized fertilizer to farmers must be an issue that this House must ensure it never gets out of our Budget books. Farmers must be supported at all levels. I would like to see a situation where the Minister for Agriculture helps in reviving farming institutions so that farmers can pick inputs with a ready off stake of their products and availability of credit to enable

them plough their farms and pay farm workers. This will enable us to go back to the good old days when the Agricultural Finance Corporation (AFC), the Kenya Farmers Association (KFA) and other Government organs were vibrant.

Mr. Speaker, Sir, sometimes when we talk about farming, we forget livestock farming where we also need to provide pastoralists with field extension officers, cattle dips and, above all, a ready market for their animals at a time when they can fetch the best prices.

The resettlement of Internally Displaced Persons (IDPs) in its final phase is not only very important for the image of this country but also clears our conscience, as a leadership, of seeing Kenyans live in polythene tents in schools and other public places. It is important that the availability of funds now must hasten the final phase of re-settling the IDPs so that we move on with something else.

Mr. Speaker, Sir, I urge the Minister for Finance under whom the Procurement Act falls to re-look at the Act that we passed in the last Parliament. Every investor that you come across complains about the cumbersome process of procurement in this country. Procurement in our neighbouring countries and competitors like Uganda and Tanzania takes 30 days or even less. In Kenya, the process can sometimes take up to nine months. You only need to visit the Ministry of Roads to know how long the process of getting a road tarmacked takes. They start with a pre-feasibility study, then feasibility, post-feasibility, evaluation and re-evaluation. The whole process is a waste of time! The colonialists built the railway line from Mombasa to Kampala without a feasibility study. This railway line has served this country for the last 100 years. I am sure that we can rise to the occasion and amend this Act for a quicker growth of our economy.

I urge the Committee responsible for finance to re-look at the procurement laws that we passed in this House so that they can recommend a simplification of the procurement process both for the private and public sector. The biggest organization to do business with in any country is Government. If it is difficult to do business with Government because of cumbersome legal processes, then this House has a duty to the country to simplify the process so that we can get things moving fast.

Mr. Speaker, Sir, as a cost-saving measure, I would like to propose to the Minister for Finance that in his Budget for the next financial year, he limits unnecessary purchases, particularly of luxurious cars for public officers, Ministers and other use by the Government. I am sure this will enable us save more money which can be used in other projects.

I laud the prudent manner in which money has been spent in purchasing the Shell/BP Building for the Prime Minister. I know some hon. Members thought that it was unnecessary. However, I am not saying whether it was necessary or not. It was purchased at Kshs700 million. I am very sure that if we asked our departments responsible for construction to build that structure today, they would spend up to Kshs4 billion or Kshs5 billion without finishing it. I think the manner in which we acquire property, as a Government, must also change. We can let the private sector do the development and then we acquire as a Government. If this is done, we will save on time and eliminate misuse of public funds.

Finally, I urge hon. Members to support this Motion so that we can give Exchequer release to various arms of the Government in order for the wheel of our Government to turn.

Mr. Okemo: Thank you very much, Mr. Speaker, Sir. While I support the Motion, I would like to make a couple of comments. One is that we should not be congratulating the Minister for varying the figures that are contained in the Printed Estimates. This is because Supplementary Estimates are meant to deal with unforeseen items. However, there is nothing unforeseen when I look at the list of the reductions and additions. Either they should have been captured in the Budget originally or they should await the next Budget and be passed alongside other ordinary expenditures. The Supplementary Estimates only exist to make it possible for the Minister for Finance to deal with unforeseen circumstances.

Mr. Speaker, Sir, in this case, I think the unforeseen circumstances were the consequences of the post-election violence. Therefore, what should have been captured in the Supplementary Estimates ought to have been issues related to that. I cannot congratulate the Minister when I see, for example, an increase in the refurbishment of embassies overseas amounting to Kshs800 million at this point in time, when that money could have been diverted to something elsewhere.

(Applause)

I have a number of questions to ask when I see figures in the Supplementary Estimates showing an increase in Government investments. What are these investments? What do they relate to? What role should Parliament play before the Government actually commits that money to those investments even if they are contained in the Printed Estimates? There must be a procedure to be followed.

When you want to dispose of your assets, there is a law that governs that. There are two laws; either you will be dealing with the Procurement and Disposal Act or the Privatization Act. When the Government wants to invest some of those monies in some enterprises, then there must be a procedure whereby Parliament must be informed in time, so that they are on board to know where the taxpayers' money is being invested.

Mr. Speaker, Sir, if you look at some of the Items I see in the Printed Estimates; on page 150 of the Supplementary Estimates (Development Expenditure), I see Equity Participation in Domestic Public Enterprise where the figure has increased from Kshs6.3 billion to Kshs7.2 billion. This is an increase of about Kshs1 billion. What would the Government be investing in public enterprise at this point in time? I hope the Minister will make that clarification. Then I see Equity Participation in Domestic Public Financial Institutions, where the figure has been reduced but this does not matter. What was it originally anticipated to be and what has led to the reduction? Is it because we are short of money or was the original policy to do so faulty?

There is also Equity Participation in other Foreign Enterprises. Which is this equity participation by the Government of Kenya in foreign enterprise amounting to Kshs200 million, which has now been removed in the Supplementary Estimates? What is this? What was the problem and the reason for the change of heart and rationale?

Mr. Speaker, Sir, at this point in time, I wish to add that when the Minister for Finance presented his Budget last year, he stated that he was going to finance that Budget partly, among other ways, through a sovereign bond. He also said he was going to finance the Budget through privatization process. I know the Minister has made some comments

on that. At the moment, as I stand here, neither source has materialized. This means that we have a huge Budget gap of about Kshs42 billion.

Mr. Speaker, Sir, while we are thinking about approving these Supplementary Estimates, should the Minister not try to explain to us how he is going to be able to fill this gap of Kshs42 billion? Is he going to borrow domestically and what are the consequences? Is he going to go to the donors again? How is he going to finance this gap? If we do not address that, we are dealing with a non-finance Budget, which is not sustainable. I would like to ask the Minister for Finance to tell us how he is going to close the gap. Alongside that, I expected him to show us some kind of performance before presenting the Supplementary Estimates. How have we done in terms of what we budget and how much of that money have we spent? How much is yet to be spent?

Mr. Speaker, Sir, when we were debating the Budget last time, the Minister promised that he would be showing the actual expenditure programmes quarterly so that we know that what we have approved is going to be spent. If by the end of this financial year, despite all these, we find that there is money that is unspent, that is bad budgeting. If we find that we have over-shot--- I know that the Minister is trying to address that through this Supplementary Estimates.

Mr. Speaker, Sir, I end by saying that the Supplementary Budget should not be used for putting patches on the Approved Estimates. They should only be addressing unforeseen expenditures or unforeseen circumstances. That is what should be captured in the Supplementary Estimates.

Having said all that, I beg to support.

The Minister for Education (Prof. Onger): Mr. Speaker, Sir, I also stand to support the Supplementary Estimates and thank the Deputy Prime Minister and Minister for Finance for presenting these Estimates because, as you all realise, the Ministry of Education is one of the hardest hit. This is because of the Free Primary Education Programme and the free day secondary school education. Disbursements to these programmes are of necessity and more so when schools reopen next week. Therefore, the bringing of the Supplementary Estimates at this level would be an impetus in ensuring that our institutional centres and particularly primary, secondary and tertiary institutions are given an opportunity to be able to achieve their stated objectives.

Mr. Speaker, Sir, you remember one of the most ambitious and yet very noble programmes was the School Feeding Programme. The drought we have experienced, which ended last week, and poverty indices that have been so clear, have made it very difficult to reach out to 1.2 million children who needed to be given the subsidy in the School Feeding Programme. Albeit with the support of the budgetary provisions and additional support from the Treasury; being conscious of this problem, and the World Food Programme (WFP), we are now able to finally approximate the number that requires a very aggressive school feeding programme. In this way, they can also join other children to attain their potential.

Mr. Speaker, Sir, these Supplementary Estimates will unlock some of those finances which are necessary and important for us to have a flow-in of other stakeholders supporting this programme.

Mr. Speaker, Sir, the other aspect of this is the tragedy we have had with the recent onset of rains. There have been very ghastly winds which have blown off roofs and flattened some schools. Some children may not have a place to study in. I would have

loved to have this included in the Supplementary Estimates. I am saying so because I have received several requests from hon. Members to this effect. Unfortunately, this is one such feature that we did not anticipate. We thought we were praying for rains but we did not realise the rains were coming in such a manner to blow off roofs and, therefore, provide emergency funds to take care of this expenditure. Unfortunately, it is such an expenditure that is not catered for even in the Printed Estimates of my Ministry. I do not know how we shall be treating this. I realised it is only two months to the next Budget. I only pray that we will be able to somehow keep our children learning until such a time that the Budget is prepared.

Mr. Speaker, Sir, I would like to take the earliest opportunity to appeal to hon. Members that, through the Constituencies Development Fund (CDF), they have an emergency window to put in the support for this programme.

Another area which has given us a lot of headache is the post-election violence and the number of schools that were razed down. The Government, through its normal provisions and support from the bilateral donors, has been able to build some of these schools. However, they are not complete. We shall continue building them. Obviously, the costs have been phenomenal. There has been an escalation of costs. I think one of the biggest problems that Mr. Wetangula mentioned in this House is the process of procurement for material for putting up buildings.

It has been going back and forth, coming up with bills of quantities (BQs) and assessing the prices. Therefore, to start off a programme which may have started in a very humble way, that we wanted the classrooms to be completed within three or four months, has now taken almost a year. I will be launching some of those schools that were razed down in the Rift Valley and other areas next week or the other, so that we can bring the children back to normal classrooms so that they can participate fully in the normal learning on the other aspect of life.

Mr. Speaker, Sir, I want to appeal to the Deputy Prime Minister and Minister for Finance that one of the items that is featured strongly in the Budget is the inclusion of the intern teachers. Therefore, we needed an upward budget of Kshs1.9 billion. Realizing the shortfall in revenue collection and that we may not have to meet these obligations, I want to use the Floor of the House to assure teachers that whereas we had some promises made to them, this will not be completed within this financial year. This will have to go to the next financial year because that particular sum of money had not been provided for in the Printed Estimates except a line indicating that there will be funding for the intern teachers. Therefore, I want to plead with the teachers that, come July/August, it is our expectation through the Ministry of Finance that we will have this particular aspect of it captured in the Budget provisions. In addition to, of course, the normal employment quota that is required in order to reduce the teacher deficit from the current 48,000 to a manageable level of below 32,000 teachers. In the next three to four years and with the provisions in the Budget, we should level out the teacher recruitment to an acceptable level so that they are all in balance.

So, without much ado, I want to support these Supplementary Estimates, hoping that when I walk out of this Parliament, the system will be open so that we can channel out the infrastructure and capitation money, both for primary and secondary schools, so that when they open next week, they will be in business.

Thank you.

Mr. Konchella: Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to this very important Motion. I also stand to support the Minister for what he is trying to do to change the course of financing of projects and Development and Recurrent Expenditure in this country.

As Mr. Okemo said, we expected that this Budget would take care of three very important areas in Kenya today. One is the issue of food production. I think it has been done very well because we have an able Minister for Agriculture. I am sure that the Ministry is going to improve food production in this country. But while I say that, in my own constituency today, the whole constituency is literally littered with maize. Farmers have grown so much maize that we are able to provide some food to this nation in the coming harvest. However, when it rains, we have no roads to transport this food to the market. I believe that whatever was being allocated to my constituency, for example, in terms of roads maintenance –

(Mr. Kenyatta consulted with several hon. Members)

Mr. Speaker, Sir, I wish the Minister for Finance could listen to what we are saying! Could his colleagues allow him to listen to us?

In my own constituency, the money that was allocated for road maintenance has been reallocated. So, as of now, in the Estimates, I have no money to do the roads yet we produce a lot of food for this country. It means that, that maize is going to rot in the farms because farmers are not going to transport it. This is the dilemma of financial management in this country; that it does not go to priority areas but to interest areas.

Another issue which should have been addressed is that of the Internally Displaced Persons (IDPs). It is a shame, as a nation, to see our people living in tents the way we have been watching for the last 20 years; people living on roadsides. These Kenyans suffered because of electing us to come here. What are we doing, as Government and as hon. Members, to address this matter? Why can these people not be resettled in their former homes? Why can the Minister not set aside money to cater for this situation whether these people are there or not? Some of these people are there because they have nowhere to go. If they have nowhere to go, let them be taken somewhere so that we are not ashamed. It is a shame to this nation.

The other area that has not been addressed is the issue of environment. I hope the Minister will allocate money to address the issue of environment. Today, the Mau Forest is being destroyed. We have continuously asked the Government to remove people from the Mau Forest but nobody seems to care. We have many people walking up and down with committees and commissions doing nothing and spending all that money for no reason. I have always told the Government that there is no reason for keeping people there to destroy what is going to destroy us all. Today, the Mara River and other rivers flowing into Lake Victoria are drying up. Even the power generation we are trying to do down those rivers is not going to be there. Why is it so difficult to remove these people from Mau Forest and resettle them somewhere? One of the crucial things is Agenda Four in the National Accord and Reconciliation Act which I think Dr. Kofi Annan briefed this country on.

I applaud and thank you, Mr. Speaker, because of what you did yesterday because we are now able to speak here and manage this country once again. We do not

want to go back to where this country was. So, the issue of Mau is so serious that we are not only going to lose our water resources and ability to provide water and food, if we allocate more money to agriculture to produce food, whether through irrigation or other means, farmers are not going to have any harvest because there will be no rain. So, we may as well have a long-term programme of irrigation because unless we address the issue of the Mau Forest, which will take another ten years, we are going to be net importers of food in the near future. These are the issues that the future Budget should address in long term.

Mr. Speaker, Sir, I honestly believe that the factoring of some of the money, like Mr. Okemo said, on investment is not a way of trying to pay corruption money because this country is riddled with corruption. Corruption has destroyed us. It has destroyed the economy of this region and we, as a nation, are a shame to the whole world today because of corruption. I want this Minister, because I trust him, to rise above corruption and all corrupt deals so that all pending bills which were incurred by the previous Government's office holders, are not paid because the country has not benefited from those services. It is money which was taken away, some of which we understand some guys are being locked in, in New York and nobody is telling us what anybody is doing about it. So, any money being paid for bills should not be paid. It should go to IDPs and the environment.

The other most important and crucial thing is Anglo Leasing, which is "an animal" on our neck today. We do not know whether some of the things have to do with payments for Anglo Leasing related deals because corrupt people are the not the common man. It is the greatest people in the land who can push you to pay these bills. The Minister should not pay any money on projects related to Anglo Leasing. If there is a problem, let him bring it to this House and we will decide whether it will be paid or not. We are not going to destroy the future of our children because of greedy Kenyans who have so much money which they do not even know what to do with and yet they still want to take more, not for themselves but to foreigners.

Mr. Speaker, Sir, they use foreigners to do these things. We need to bring a law to this House to ensure that Kenyans spend their money in Kenya to create employment for our people. They should not go and enrich people outside this country. The Deputy Prime Minister and Minister for Finance and also the Minister for Trade should come up with laws on investments in this country. They should amend the existing laws, so that people can invest within a week. I have tried to help a private investor to put up a sugar-cane factory in my constituency for the last three years, but we have not been able to do it because of corruption. We have not been able to pay the Kenya Sugar Board. So, we have destroyed this nation. We are unable to create employment opportunities for our people because of corruption. The Deputy Prime Minister and Minister for Finance should deal with corruption. If you can deal with corruption, Kenya will reward you in future. It is a culture that is killing us all. It is a culture that we must stop, as a nation.

Mr. Speaker, Sir, the other very important matter that I would like to address is the issue of water. If you look at the Arid and Semi-Arid Lands (ASALs) today, for example, Kajiado, Narok, Samburu, Turkana and North Eastern Province, people have no water. The rains are gone and we are not likely to see any rains in the near future. Money should be allocated in to construct dams. Let us have major dams in all those areas and,

in the long-run, we will be able to provide food to those people. That way, they will not have to depend on relief food.

With those few remarks, I beg to support.

Mr. Njuguna: Thank you very much, Mr. Speaker, Sir, for granting me this opportunity to make two comments. Firstly, I am delighted that the Deputy Prime Minister and Minister for Finance has indicated that he has consulted widely before bringing these Supplementary Estimates. Secondly, I also note that the President of this country has also given his consent to these Estimates.

But of great concern is that these Estimates will facilitate the management of the Government, our institutions and Ministries. I note that one key component is the management of the Ministry of Education. You will recall that last year, students in many schools went on strike and a lot of unrest was noted in our schools. That situation was triggered off by the shortage of teachers in our schools. I note that with these Approved Estimates, the Ministry of Education will be able to render the necessary service in that sector. Secondly, the Ministry has already assured the whole nation that bursaries will be released as soon as possible. They will not be released until these Supplementary Estimates have been approved. I also recognize that the Higher Education Loans Board (HELB) is not in a position to award loans to students in our universities. After we pass the Approved Estimates, students in our public universities will be given a chance to continue learning.

I also recognize that there is a huge outcry concerning the curriculum development in the Ministry of Education. Some money should be released to the Kenya Institute of Education (KIE), so that the curriculum can be reviewed and developed as per the aspirations of our people in this country. I recognize that the leadership of that institution is giving the best, but it cannot give the best service, unless it is fully funded by the Ministry of Education. It is, therefore, important that we approve these Estimates as soon as possible. I also recognize the creation of new districts. We have newly created districts and we have already posted District Commissioners to them. Those DCs do not have funds, vehicles, buildings or any means of transport. It is from these Estimates that the newly posted DCs, other than travel in *matatus* and *boda boda*, will be bought some vehicles and facilitated to operate in decent offices. I note that in Kiambu West, we have been allocated about Kshs6 million. This is not little money. It will do something in the newly created district. It will help to do a facelift. So, the Estimates are geared towards improving the welfare and the management of our institutions.

It is also important to improve the capacity of our security systems in this nation. Our borders are really exposed. There is a lot of influx of strangers into this nation. We need to tighten up the porous boundaries. We cannot do that unless we facilitate our security apparatus to reach the borders and improve the security situation there. If they cannot do that, it will be a total shame because the investor confidence and the tourism sector will be affected badly. It is also important that, once this money is released, we will facilitate the services offered by the Criminal Investigation Department (CID) and the police. Those institutions are handicapped right now. As has been noted in this House, most of the Members are complaining of Officers Commanding Stations (OCSs) who do not have vehicles. Vehicles will be bought with this money and security will be improved tremendously.

With those few remarks, I support the Motion.

Mr. Mungatana: Mr. Speaker, Sir, I want to thank you for giving me this opportunity to make my contribution to this Motion. I listened very carefully to some parts of the speech made by the Deputy Prime Minister and Minister for Finance as he moved this Motion. He is seeking the permission of Parliament to be given Kshs16 billion and the rest of the other variations that he wants for the Supplementary Estimates.

One of the things that is coming out clearly is that the Supplementary Estimates had to be adjusted because there is a shortfall in the collection of revenue within the economy of this country. I wholly support his Motion today, but there are many things that he must start thinking about very seriously. Yes, we have had political troubles in this country and they could have contributed to this. We have had all these other variations, but another reason why we are having a shortfall of revenue collection in this country is that the recession that has been a global phenomenon is actually slowly creeping into our economy. People in the First World have lost jobs, homes and their sources of income. People who would have been millionaires have become paupers all of a sudden, from the stock market. People who were employed in industries for decades have found themselves unemployed. Families that had riches stretching over generations have become paupers all of a sudden. This issue of recession is coming into this country. I am worried that the Minister has not yet found it necessary to state out clear steps that he intends to take to cushion the economy against the recession.

Mr. Speaker, Sir, when we say that there is a shortfall of the collection of revenue and, therefore, we have to adjust the Budget, we are going to go this way until when? I am standing here as a Kenyan to ask the Minister to sit down with his bureaucrats and think of what we will do to save those jobs and the shortfall of revenue collection. This money must come from businesses and people employed within this economy in Kenya. It must come from those who would have invested in this economy to generate more jobs in this economy.

Mr. Speaker, Sir, I know that the Minister is a thinker who can think outside the box. I want to see him come to this House and tell us how he will cushion this economy against the recession effects. If we do not do so, he will come back here for other Supplementary Estimates. We do not want this to happen. This is why I am standing with just that one point, to ask him to come here and tell us what we will do as Kenyans. We are getting worried!

Mr. Speaker, Sir, people are losing jobs in Coast Province. We are already starting to feel the recession. The tourism industry, which has been the backbone of support in that area, has been affected. Hotels are closing down. We want to know what we will do with our relatives, brothers and cousins who are losing jobs. This is the cause of the shortfall in our revenue collection the Minister is talking about. We want to know what we will do with them as Kenyans. I know he will do something about it. I urge him to come to this Parliament and explain to us, so that we can move together as a nation in fighting this recession.

Mr. Speaker, Sir, one other thing that I would like to mention is the wastage in Government today. People keep on talking about cars at the national level. However, the wastage is really on the ground. A lot of money in Government goes to waste at the district level. It is useless for us to support the hon. Minister to pass these Supplementary Estimates and, in fact, agree even to adjust some of the development expenditure that we expected to have from him, then this money is wasted on the ground. Again, I wish to ask

him to think outside the box. He should not listen to those bureaucrats who prepare things and tell him to sign. He should think of how much money we would save in the districts.

On procurement procedures, if you go to shops in Garsen, we get a pen at a cheaper price than when someone is given that work to procure for the Government. This is happening everywhere in this country. I will support you if come here with those ideas. We are tired of this Government being run by bureaucrats. Most of the times, we are doing politics and it is a good thing to keep the country together. However, these people take advantage, especially in the Ministry of Finance. They go through those Budget cycles like it is normal. Hon. Okemo here has just said that Supplementary Estimates are supposed to be for emergency situations. They know we will pass them here, and they say: "Let us just do this and the Minister will sign. He will get support from Parliament because he is a good guy." Then we pass it here. I am urging him to think outside the box. We help the Minister because this is the primary responsibility of Parliament; to check the utilization of the Consolidated Fund. Those people in the office must now start listening to us. It is not the other way round. The big problem in the Coalition Government today is because some bureaucrats, who cannot even get a vote from their grandmothers, think that they run this Government!

(Applause)

Mr. Speaker, Sir, we want this Government to be run by politicians. We want the Minister to come here with ideas because this country needs to move forward. We want a Minister who will do something about the issues we are raising. There is too much wastage.

We are here approving this money to be utilized. We have officers who, when they hear that hon. Mungatana has left the Government, give a Government vehicle--- I would like to tell the Finance Minister about this issue because that is one person who should not be given this money I am passing here today. An officer authorizes a Government vehicle to be given to a political opponent to drive around Garsen, so that they can do politics against hon. Mungantana. First of all, who told them that they would ever defeat me in Garsen Constituency? I am not bothered about that! What I am bothered about is that we are passing money here to be utilized for a specific purpose and then an officer there gives out a GK vehicle to my political opponent. Next time when you hear there is a patient who needs to be taken to hospital or a security operation, there will be no fuel to do so. Here, we have given the Minister money, but wastage is happening at the grassroots level. We want this Government to take seriously the issue of wastage at the district level. The question of procurement at the district level should also be looked into. If you do so, we will support you all the way. Never worry about us here in the Opposition. We are here to build you and this country!

With those few remarks, I beg to support.

The Assistant Minister, Ministry of State for Defence (Maj-Gen. Nkaisserry): Thank you, Mr. Speaker, Sir. I rise to support this Motion. In doing so, there are quite a number of critical reasons why this House must pass these Supplementary Estimates. We need to pass these Supplementary Estimates because there are a number of Government projects which need to be attended to.

Mr. Speaker, Sir, to begin with, I would like to urge my colleagues, elected leaders of this country, to stop political bickering, so that we do not scare away investors. When we look at these Supplementary Estimates, we have a shortfall of Kshs23 billion in the Recurrent and Development Votes. This is as a result of reduction in the tax collection because tourists have not been able to visit this country. There was no way the Kenya Revenue Authority (KRA) could collect this money. So, we have a shortfall of Kshs23 billion because of this political bickering.

Mr. Speaker, Sir, the other issue that is the cause of this shortfall in revenue collection is the problem of procurement procedures. Procurement procedures are blocking the Government from providing essential services to the citizens. The Minister needs to look afresh at the procurement procedures in all Ministries. A lot of money is usually returned to the Treasury unutilized because of procurement procedures. It is because of corruption. Unless a certain individual is given a certain contract, the tendering continues to be repeated on a daily basis. I urge the Minister to look afresh at these procurement procedures, so that we have an efficient way of utilizing this money.

Mr. Speaker, Sir, when I began, I said I support this Motion because there are quite a number of projects to be undertaken. We need to factor so much in the water sector. I do support my brother hon. Konchella that we need dams. My colleague, hon. Mungatana, said the Minister needs to look into ways and means of mitigating the recession. One of the best ways of doing so is to look at how we can have serious agricultural production during drought or rainy seasons. That is why we need this money, so that the Ministry of Water and Irrigation can move and fulfil the directives of His Excellency the President to construct the six dams mentioned in his Speech.

Mr. Speaker, Sir, I will go back a little bit to the reduction of Kshs23 billion that is going to have a nominal effect all through and hon. Members are likely to receive less in their Constituencies Development Fund (CDF) kitty because that will spread throughout the Budget. If we could stop political wrangles, investors would have confidence and bring money to this country. I would like to request the Deputy Prime Minister and Minister for Finance to look at critical priorities for this country. One of the most important areas is the Ministry of Education. The Minister needs to re-allocate whatever surplus he has to that Ministry so that it can mitigate the issue of scholarships, bursaries, school feeding programme and free primary education. It is very important. So, the Minister needs to look into that.

Mr. Speaker, Sir, the Minister also needs to bring to this House a Sessional Paper taking away the Local Authorities Transfer Fund (LATF) from the Ministry of Local Government. We are wasting billions of shillings through LATF and we cannot see any fruits on the ground. If you compare LATF, which was a product of this House before CDF was mooted, you will see a big difference. We would like to consolidate all the monies that go to the constituencies into one kitty. If the Ministry of Finance can do that, this country will move forward.

Mr. Speaker, Sir, the other reason why we should pass these Supplementary Estimates are the salary of the workers of this country, and at the same time, for the security of this country. We need this money like yesterday. So, we need to pass the Supplementary Estimates very fast.

With those few remarks, I support.

Mr. Ogindo: Mr. Speaker, Sir, thank you very much for this opportunity. I rise to support. I have no option. Looking at the figures brought here by the Minister, I can see an increase in expenditure. There is an increase in Recurrent Expenditure of Kshs16 billion and a saving of Kshs15 billion, giving a net expenditure of Kshs722 million. I also see a net saving from the Development Vote of Kshs1.7 billion. I also see a net saving in the CFS of about Kshs7 billion. In total, there is a total saving of Kshs8.1 billion. That is a good reason in the Budget for support. When I combine that with Appropriations-in-Aid, I see a total increase in the Budget of Kshs1.7 billion, giving us up to a total budgeted figure of Kshs761 billion for this financial year.

Mr. Speaker, Sir, having said that, I want to record my disappointment with the failure to assent to the Fiscal Management Bill. As you are aware, we have figures that amount to billions. As we debate here, we are supposed to approve these figures. The responsibility on us is that of approval and oversight. I stand here as the Chairman of the Budget Committee and I have only ten minutes to contribute. It is impossible to make a sensible contribution. Parliament has a role of scrutinizing the Budget. Between the time this Budget was laid on the Table of this House and the time its approval is sought, it is practically impossible to effectively scrutinize it.

When I go through the changes in the Budget, I see changes in the Department of Defence (DoD). One wonders why the figures were brought in the first place and yet we know that the DoD has been very poorly managed of late. They are just in the barracks as we face threats from our neighbours across the borders.

Mr. Speaker, Sir, I want to go to CFS; I see a number of debts that had been proposed for settlement. Fortunately now, most of these debts have been removed from the Budget. The question one asks is: What was the wisdom of putting them in the Budget in the first place and what is the reason for removing them now? One is persuaded to think that those loans are being removed from the Budget because of the noise that has been made, questioning their authenticity. This House needs to involve itself a lot more in the Budget-making process. It is against that background that you may recall, in the Fiscal Management Bill, we had a provision that was asking the Minister for Finance to ensure that he places before this House a Budget Policy Statement in good time so that we are able to see what is contained in the Budget.

Another provision in that Bill requires continuous reporting. It is because we do not get continuous reporting on the Budget execution that we find ourselves caught in a hard place like we are today. Looking at the Budget, you will see that there is a very huge deficit. The assumptions that were made initially do not seem to be withstanding the test of time. The only reason that we relied on those assumptions is because they were brought so late in time that we had no time to question them.

Mr. Speaker, Sir, I want to say today, that the Budget is the single most important programme in a country. Nothing can happen in a country without money. We look upon the Minister for Finance to ensure that we have a macro equilibrium in this country. At this point, I wish to say that one of the macro-economic factors that this country has to look at very closely is political stability. This is a factor that has affected our economy so adversely without us knowing. We want to look at this Budget so that it is made in a way that will ensure political stability and peace. I say that because one of the reasons why we have political tension in this country is because of inequality. We can only use the Budget

to address this inequality. We can only do that when the Budget is kept open. We are seeking to have an open Budget.

The other thing I want to comment about is the problem we are facing, which is food insecurity. As long as this Budget remains the property of five to six people, we will never have enough input into the Budget to ensure food security. We also have other guidelines that we need to tie our Budget to. For example, we have the Millennium Development Goals (MDGs) and Vision 2030. It is only fair that this Budget is seen to be tied to these issues. The only way we can do that is when we make it open.

Last but not least, I have gone through the notes that justify the changes in the CFS expenditure. Some of them are contradictory. Looking at Notes 1 and 2, you will see that Note 1 talks about a decrease in the interest on the external debts. The explanation being given there is that if we leave out the sovereign bond, there is a foreign exchange fluctuation. That leads to a reduction. Going down to the second last note, you will find an increase, which is also as a result of exchange rate fluctuations. I find this contradictory because we are giving the same reason for different movements of money. One wonders whether really these are reasons or whether they are just scribbled notes to see us through. I know that we all need this money. However, we must get this money for the right reasons. If only we could sit down and agree on the right areas in which to spend our money, I know we would go a long way in developing our country. In a country like Uganda, which is only 20 years old, and it is because of the way they run their Budget that today, it has recorded and maintained over 6.0 per cent growth rate. The present Rwanda, which is only 15 years old, is moving with speed because they have opened up their Budget-making system. A Budget Execution Report should be brought to this House as often as possible. Thank you.

Mr. Speaker: Order! Your time is up! Yes, Mr. Nyammo!

Mr. Nyammo: Thank you, Mr. Speaker, Sir. I rise to support this Motion on the Supplementary Budget with a few remarks. First and foremost, I commend you, rather belatedly, for your ruling yesterday. It goes without saying that you saved the country a great deal. This is the second time that you have risen to the occasion and saved this country once again.

(Applause)

I am pleased by this Budget because it has not interfered with the Development Expenditure. Development Expenditure touches on roads, water and many other things. Those are the things that will last us beyond this generation. However, I want to zero in on a touchy matter; that is, security. This is the issue of security pertaining to our youth in some areas, known as *Mungiki*. All of us must admit that our youth are a product of our society and more so, our education system that does not lay emphasis on skills. The students, up to the university level, are told that they should go through the education system, after which they will be employed. At no time do we emphasize on self-employment. We complain that our youth are lost. My contention is that they are not lost. We have run away from them. If you go back to schools, you will find that parents have run away from Parents Teachers Associations (PTAs) and Boards of Governors (BOGs). They seem to think that children belong to teachers. Nothing could be more injurious. Children can only be brought up by parents, teachers and their neighborhoods. We seem

to be running away from them. I request Kenyan parents to accept to be parents again. Let us go back and own our children and support them through education. As far as unemployment is concerned, I would like to say that the solution to the *Mungiki* problem is not the gun. It is what I would call engagements. We must accept to engage these people and save those who are not members of *Mungiki* from becoming members. We should introduce them to areas of income generation. We cannot leave them without engaging them. I would like us to speak to the youth and give them an opportunity to speak to us, as parents and leaders. They should not be lectured.

This Minister should quickly release funds for sports. This is one way of engaging our youth. If they are involved in sporting activities, they will have no time for doing wrong things. If they have money, and we are told that there is money in the *Kazi kwa Vijana* initiative--- Where is this money? Where are these programmes? These are things that we need to see to help our youth and keep them away from mischief.

Before I finish, I would like to convey my condolences, belatedly, to Mathira and Kirinyaga people who lost their relatives and property. I would like to repeat that we need to engage our youths. Let us not run away from them.

With those few remarks, I beg to support.

Mr. K. Kilenzo: Thank you, Mr. Speaker, Sir, for giving me this opportunity to contribute to this debate on the Supplementary Budget. From the very outset, I want to say that I support the Supplementary Budget for the obvious reason that Kenyans from all walks of life are finding it very difficult, especially the IDPs who are still in the camps and are contracting waterborne diseases just because of the inability of the Government to settle these people. So, that it is not going to be an excuse, we are committed to supporting the Government.

However, Mr. Speaker, Sir, as we support this Supplementary Budget, I want the Minister to take into account that the youth of this country form more than 70 per cent of the population and the Government must start taking matters of the youth seriously. I want to commend the Government for initiating the *Kazi kwa Vijana* Initiative. But, sadly, the way the project is being managed is clearly going to fail, if the funds are not going to be checked.

Mr. Speaker, Sir, why I say this - and I want the Minister to listen to me - is because in this Supplementary Budget, you are asking for Kshs49 million for the *Kazi kwa Vijana* project to go to hospitality. Why would Kshs49 million go to hospitality whereas it is supposed to be put in the funds that are going to be paid to the young people of this country as they develop the country?

(Applause)

Mr. Speaker, Sir, this is not the only part of the Supplementary Budget where the Minister has slashed allocations to very essential items in the Development Vote. For example, in the education sector, the Minister has reduced the Development Vote and yet, he has increased the hospitality budget for State House to Kshs120 million. Why should your Ministry do that whereas State House is just a residence of the President? I think we have to be focused because when we talk about issues to do with the Supplementary Budget, we are saying we want to deal with emergencies. There are better emergencies in this country and if you want me to show them to you, Mr. Minister, I want you to visit

Eastern Province, parts of Rift Valley and Coast provinces where people are going without food three times a day!

Mr. Speaker, Sir, I want the Minister to look very seriously at the issue of focusing on non-essential priorities as opposed to what is urgent, immediate and what is affecting the Kenyan people.

Mr. Speaker, Sir, the other issue I want to comment on is to do with pending bills. In the Supplementary Estimates, there are provisions for pending bills amounting to Kshs400 million. I would like the Minister to find out why Kshs400 million should be allocated in the Supplementary Budget as pending bills to deal with a contractor for Kenya National Examinations Council (KNEC) Headquarters, Mitihani House, and Kshs250 million for awards in the Office of the President. The question I want to pose to the Minister is this: Is that, surely, so urgent for Kenyans to ignore the more pertinent issues and allocate Supplementary Budget funds towards those items? Could those pending bills not wait for the main Budget which will come in the next two months?

Mr. Speaker, Sir, I want to raise the issue of missing revenue targets and global recession. I was privileged to visit Kenyans in the diaspora last week in London where awards were being given to Kenyans who have excelled in different fields. While I was defending the Government as Parliament, I was reminded by one gallant Kenyan that the reason why they are not sending money or why the transfer of funds has reduced from the diaspora to this country is because they do not trust us; the politicians and the Government. They believe that corruption is the order of the day in the Government. When they hear of issues of Anglo Leasing, which are unresolved--- When they hear about scams that are reported every day, they say they have started looking at other options of investments. Mr. Minister, since you are capable and this docket sits squarely on you, I believe you can sit down, as the Government, and see how you are going to come up with concrete ways of fighting corruption in this country. Any Minister who is involved in corruption must step aside! Kenyans are saying that they do not want politicians to be involved in corruption. When you are involved in corruption, please, step aside because you are making the name of Parliament look dirty in the eyes of the people!

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

Thank you, Mr. Speaker, Sir.

The Assistant Minister for Education (Prof. Olweny): Thank you, Mr. Speaker, Sir. I want to make a few comments to support this Motion.

Mr. Speaker, Sir, it has been said here that we are really being hit by the recession that is around the world today. That is one of the reasons, probably, why adjustments are being made in our Budget. While it is true that there is that recession across the world--- We cannot deny it. It is with us. But there is one thing which, I believe and we all know, is our creation – the political crisis that has been with us since the elections. Recently, it was reported that even the number of tourists coming to Kenya has gone down. One of the reasons is our political instability. But this crisis is mainly because of the leaders. There are some big leaders who were in the Kenyatta Government and they are still around with us. Those ones who were with Moi--- Those people have blocked their brains and they cannot open up!

(Applause)

I appeal to them: "Please, open up your brains so that you can realize that the world is changing!" You cannot keep on saying: "It must be the way we want it", or "it has to be ours!" Please, Kenya belongs to us all. There is nobody who is going to allow you to keep everything to yourself today! Otherwise, we are going to have a crisis!

You remember the crisis we had the other day? Had it not been for the Speaker - for which I congratulate you, Mr. Speaker, Sir - we would still be in a mess today just because we cannot agree! If that is so, why can we not take those two Principals to Sagana minus their wives and, of course, minus these people who have their brains blocked?

(Applause)

Why can we not take them to Migingo, chase away the Museveni people and put them there? We can give them some tents so that they can stay there. We can even make sure that we have all the anti-mosquito facilities for them so that they can keep on consulting there and only tell us what they have decided? Until then, they cannot come out! They can run the country from there. We shall see what they will say! But when you allow some of these homeguards who were with Kenyatta --- You know what Kenyatta did! They were with Moi and you know the problems we had during Moi's time! Please, let them give Kenyans a break! Those are some of the things that have caused problems in revenue collection.

Mr. Speaker, Sir, we have a problem of serious insecurity in this country. Look at what is happening in Central Province! We need more police officers. We need more vans for them to run around. But as we regulate police officers, it is unfortunate that when recruitment is being done, a higher number goes to certain areas than other areas. Some areas in this country are given the opportunity to recruit more than others! That means some people are more equal than others. Some time back when I was a student, I read the *Animal Farm*. Please, give equal opportunities to everybody when recruiting members of the armed forces, so that other people do not complain that they did not get their share.

Mr. Speaker, Sir, let me comment on food insecurity. In many countries where there is enough food, irrigation is the key. We irrigate only if we have enough water. Kenya is a water-deficit country. Even if you put up many dams in different parts of the country, if we have no water, what will we have in those dams? Today many water pans have dried up. Many rivers and wetlands have dried up. Our lakes are declining in water levels because of mismanagement of our environment.

The citizens of this country care about the environment. Last week, the President talked of a number of dams that the Government plans to construct. I am sure there will be no water in those dams, if we cannot manage our environment, which will make us have water. Dams do not create water. If you construct dams and there is no water, what the hell are you doing? The country must manage the environment. We must manage it well through conservation of our forests. In places where we cut down trees, let us plant back those trees.

With those remarks, I beg support.

Mr. Chanzu: Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to this very important Motion. I want to make some reference from the

document, which the Minister tabled in this House. This has happened repeatedly. The Minister should take note of this. We are getting a lot of work done by bureaucrats and then we end up signing due to the urgency of the matter. The allocation of money to construct roads in this country has been done in a very unfair manner. There are some districts, which had been allocated very little money, while others had been allocated a lot of money. For example, Kwale District, was allocated Kshs10 million. However, this Kshs10 million has been taken away. Lamu District was allocated Kshs5 million, but it has been taken away. Siaya District was allocated Kshs10 million, but it has been taken away. Kericho District was allocated Kshs100 million. It has been taken away. Kakamega District was allocated Kshs25 million, but it has been taken away. Vihiga District where one of the Deputy Prime Minister's come from was allocated Kshs20 million, but it has been taken away.

Let me not waste a lot of time on giving the details because I am sure the Minister will check on this. I expect him to tell us the remedies he will make when he is responding. If this is what is making us to vote in this House the way we were trying to do in the past few days, fighting over power, then I think we are being unfair to Kenyans.

Nairobi was allocated Kshs882 million, but Kshs512 million has been taken away. So, it has been allocated Kshs370 million. If you look at Nyandarua District, which was given Kshs2.5 billion, it has been added Kshs300 million. Nyeri South District was given Kshs760 million. It has been added Kshs63 million. Tigania District was given Kshs492 million. It has been added Kshs54 million. Meru North District was given Kshs550 million, but now, it has been added Kshs164 million. Kisii Central was given Kshs520 million. It has been added Kshs222 million.

It is this discrepancy that we would like the Minister to address, so that we are fair to every Kenyan. Every time we talk about this being taxpayers money. It is not only people from these districts that I have mentioned that are paying taxes. Every Kenyan pays tax on everything we buy. We will get an extract of this, so that it can make quick reference.

I just want to add a comment on what was discussed here earlier. This is about the co-ordination and management of the funds when they are disbursed to grassroots level. I think there is a lot of misuse and wastage. If you take a department like roads, the money goes to the roads department, but by the end of the day, you never see what work has been done. Money is being released this time when there is a lot of rain in some of the areas. They take a grader and do work quickly. Before a day is over, it rains. We need a lot of planning when it comes to this expenditure of the money that we are voting.

There is a speaker who said that the Minister should try to think outside the box. We keep on talking about importing fertilizer all the time. The only problem in this country is that when a top official gets involved in corruption, we want to wash it away and forget about it very quickly. There was a plan here many years back. Feasibility studies were carried out and money was spent. These things were all washed away. We are still spending a lot of money importing fertilizer, which we can produce locally here. If we talk about industrializing by the year 2030, surely, we must start thinking about how we can produce some of these items locally which we can also export.

Mr. Speaker, Sir, I support the idea that devolved funds be managed centrally. If it is at constituency level, even if you have to change the structure of these committees, so that we incorporate councilors, let us do it. Let all these monies be centrally managed.

The Minister for Education talked about *Kazi kwa Vijana*. Every Ministry has been told to run their own programme. I got information from my constituency that they want to do a water catchment in a school. We do not know about it. They are doing it in a place where we do not need that kind of programme. Maybe, there is water in that place. So, I think there should be proper consultations before such programmes are put in place.

There was also the issue of procurement. There is a lot of bureaucracy which, I think, we inherited either through donor funds, or from some of the programmes that we adopted and international standards. When it comes to procurement, our administration is also poor. One of the reasons that we are having a problem with procurement is because of vested interests. There is delay because somebody wants a specific person to be given a project. That is why it is taking a lot of time. I think from the Ministerial level down, there must be a bit of time to follow up on what is going on up to the level where the funds are being disbursed.

Mr. Speaker, Sir, I wish to stop there, so that I can leave time for my colleagues to contribute.

I beg to support.

Mr. Kiuna: Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to this Motion.

Mr. Speaker, Sir, before I speak on the Motion, I would like to take this opportunity to thank you most sincerely for saving this nation by your yesterday's ruling. The whole nation was watching and waiting for your ruling. You really did much. Whatever is pending must wait. The whole nation now is at peace.

While supporting this Motion, I would like to remind hon. Members that we should be very cautious with whatever we say here and outside this House, because the whole nation is watching and listening to us very carefully.

Mr. Speaker, Sir, I would like to request all the elected leaders to ask themselves: Since the time they came to this House, as elected leaders, have their contributions and comments inside and outside this House been detrimental or have they helped to heal this nation? We are all aware of where we have come from. This nation is still nursing the problem we had. There is one thing that is sadly worrying. Although we are going to pass these Supplementary Estimates, we would like the Ministry to look very seriously into how this money is going to be spent.

Mr. Speaker, Sir, right now, in my constituency, some people in some areas have been promised that they will be re-settled and compensated. They are still living in the transitional camps, waiting to be given whatever they were promised by the Government.

The other issue is on security. I have been complaining, to the Ministry of State for Provincial Administration and Internal Security. However, whenever I go to them, they tell me that they do not have transport. So, I hope that after the passage of this Motion, money will go to the intended purposes, so that the Government can buy the required vehicles and provide security personnel with enough fuel. It is very shameful that when you make a distress call to a police station, you are told that the particular police station does not have enough fuel.

The other issue that I would like to talk about is the *Kazi Kwa Vijana* initiative. Although this programme has already been started, really, as elected leaders, we could be wiser. People who have already attained the age of 55 years should be retired to create vacancies for our young men and women, so that they can be employed.

You find that a person who has attained the retirement age is given extra five years to serve in the Government. Are we, really, doing good to this nation? We are talking about *Kazi Kwa Vijana*. Are we creating jobs for these *vijana*, or are we denying them their chance to serve in the public sector? We are elected leaders. This is our lifestyle. We wake up and speak out our minds, because these *vijana* are our children.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, instead of us employing them, we keep on retaining the old guard in the Public Service. Will the youth ever get employment? How do we expect them to bring up their children? We now have *Mungiki* and *Taliban*, among other criminal gangs. You are the ones who have created them and now you are crying.

Therefore, as I support this Motion, my request is: Let *vijana* get employed in the right way.

Thank you, Mr. Temporary Deputy Speaker, Sir.

The Assistant Minister, Office of the Vice-President and Ministry of Home Affairs (Dr. Laboso): Thank you, Mr. Temporary Deputy Speaker, and Sir, for giving me this opportunity.

I would like to support the Motion but as I do so, I would like to say that it is, really, unfortunate that a document such as this one, which needs to be accessible to many of us, is not made available. The budgeting process is so closed that the majority of Kenyans do not know how these figures are arrived at. I believe that if we made the budgeting process people-friendly, a lot more Kenyans would understand how resources are allocated and the functions they are allocated to.

Mr. Temporary Deputy Speaker, Sir, many times, we sit here and complain. Once the whole process is over, we are brought a document but we do not understand whenever it is brought here. We only see figures allocated to the various Votes. I would like to request that the budgeting process be made more open.

For instance, if we had something like a gender responsive Budget, each of the different groups in the country would be targeted. That way, we would, for example, know the needs of women in this country and budget for them appropriately. We would equally know the needs of men in this country and budget for them appropriately. That way, even young men and young women would be covered. This document is so detached from reality that you cannot really understand what it is that you are allocating funds for.

On top of that, we want a Budget that is pro-poor. A lot of the money that is provided in this Budget does not reach the poor. We know that on several occasions, we have been complaining that money remains with the Central Government.

Mr. Temporary Deputy Speaker, Sir that is where the mischief begins. All the scandals that we hear about happen there, because all the money we supply is held in one "pocket". Therefore, we need to, quickly, embark on the constitutional review process, so that we can devolve these funds.

The Assistant Minister for Education (Prof. Olweny): On a point of order, Mr. Temporary Deputy Speaker, Sir. There is an hon. Member in this House who has kicked an empty plastic bottle onto the Floor. Could you allow him to pick it up?

The Temporary Deputy Speaker (Mr. Baiya): That is not a point of order! Continue, Dr. Laboso!

The Assistant Minister, Office of the Vice-President and Ministry of Home Affairs (Dr. Laboso): Thank you, Mr. Temporary Deputy Speaker, Sir, for that protection.

I was talking about making pro-poor budgets. This country needs to, seriously, address the question of the poor. We collect a lot of revenue in this country, but we hardly see where that money goes to. We are told that 97 per cent of the Budget, or thereabout, is supposed to be going to the line Ministries.

Mr. Temporary Deputy Speaker, Sir, thinking of my own constituency, yes, money is going there, but it is very difficult to have tangible evidence of what that money is actually doing on the ground. I am still having women being transported on wheelbarrows. Women in my constituency are still being carried on wheelbarrows to dispensaries because there are no good roads. When they get to the dispensaries, they find that there is no medicine. If they get the medicine, they will not get the medical personnel to attend to them.

Mr. Temporary Deputy Speaker, Sir, when we will examine the Budget, we will not only look at the figures, but also what the money that has been allocated will do. I will continue saying that we must devolve funds. The Constituencies Development Fund (CDF) is a model that has worked. We must use the same model to devolve funds, even if it means 20 per cent of the national Budget going to constituencies. I believe they will be put to better use than they are in the current situation.

Mr. Temporary Deputy Speaker, Sir, since I want to give a chance to my colleagues to speak, I will leave it at that.

The Assistant Minister for Trade (Mr. Omingo): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support this Motion. It is important for all of us to appreciate the fact that most of the economic environment we are in is either macro or micro. "Macro" are beyond our control while "micro" are those that we can control. For instance, we cannot afford to cry foul over issues that we can control and yet, we do not do anything about them. We should regulate ourselves and move forward as a nation in terms of creating wealth.

I want to start my contribution by saying that there are issues that politicians are required to do as a matter of necessity in order to create investor confidence. However, we have also participated in creating political instability by making various pronouncements. We can actually regulate our tongues in the interest of this nation. We complain that tourists are not coming to this country. This is because they are not too sure of what they will get next time. They are not too sure as to whether they will have the National Accord holding or people throwing stones and bottles at each other under the guise of agitating for their rights. It is important, as the leadership of this country, to participate as a team in building this economy. We cannot pass the buck over the decline in revenue collection. It is all about the economic environment in this country. If there is something politicians can do, please, let us do it together because it will be for the benefit of all Kenyans. If it is a question of speaking less and doing more, let us do that. If it is

the question of controlling wastage, like a certain hon. Member has said, let us control it. If it is a question of turning the unturnable stones, let us turn them today because it is within our mandate to regulate and reorganize our structures in order to control wastage.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance, in his wisdom, has curtailed major projects, including hospitals. In the interest of business, infrastructure is critical. There is a problem here because it is like having chicken and an egg. How can you spur economic growth if you do not develop our roads? How can you collect more revenue if people are not trading? How can you resuscitate investor confidence if you are throwing words at each other and there is no political harmony in this country? You want an investor to come from London and invest in Kenya when your money, which is obtained in the right way or is ill-gotten is lying in Swiss banks? It does not make any economic sense.

Mr. Temporary Deputy Speaker, Sir, we are talking about reforms in this country. We will not reform this country by virtue of the fact that there is an exchange of pleasantries or notes between the two principals. What will give us the fundamental changes that we want in this Republic is the constitutional dispensation and putting up structures that will help this country move forward. We can shake hands in front of State House or Harambee House as many times as we want, but if that is not backed by law and putting structures in place, we shall be wasting time.

In the current world trend, there is no business of Cold War that used to be in the West and East. Today, the war we are fighting is about trade diplomacy. I want to ask my colleague who is here and was the Minister for Trade, to put in sufficient funds in order to engage in the trade front as opposed to the cold war diplomacy which is now gone. We need to revitalise our businesses in order to spur economic growth and attract foreign investment. We will plead with the Minister for Finance to focus more on trade diplomacy in the coming Budget.

Mr. Temporary Deputy Speaker, Sir, on food security, more than 45 years after Independence, a country that cannot feed its citizens is actually a country destined for doom. I had an occasion to visit Iran about two months ago. I learnt that, that country receives one-third of the total rainfall that is received in the driest part of this country, which is Kitui. However, you will find green vegetables being served in every meal that is served in Iran. They serve fresh salad and fruits grown through irrigation. We must re-engineer ourselves. We should get our priorities right, change the way we do things and develop our country by embracing new technology.

I would like to thank the Minister for Agriculture for focussing on ways to improve food production. However, so little has been done in terms of food management. Today, Kenyans have gone back to their farms. If you overfly parts of Rift Valley Province and Kisii, you will see that all the farms are green. Upon harvest, you will be surprised that nobody will store the food. That food will be sold off and agonize over famine in the subsequent season. Food production, marketing and management is critical.

Police reforms are important. We cannot afford to have a Judiciary that is ill equipped in terms of reform agenda. We cannot have ten policemen who are supposed to protect us during the day and at night live in one house! They cannot enjoy their social lives. Most of our guns are on hire because the police also require comfort. We need to have judicial reforms so that we can get justice.

Mr. Temporary Deputy Speaker, Sir, some speakers have talked about devolved funds. The critical point here is how the people can access the Youth Enterprise Development Fund, the Women Enterprise Development Fund and now the Kazi kwa Vijana Fund. I am reliably informed that when women go to borrow money from the Women Enterprise Development Fund, the officials administering the fund look at the their national identification cards and if their names do not sound very pleasant, they will not give them money. It is important that we decentralise that Fund by putting in place proper structures. If not, we should take the money to the constituencies so that it can be managed by the CDF. We are saying that there is a lot of transparency in the management of the CDF and even the Local Authorities Transfer Fund (LATF). I am not against the councils on what they are doing. There is a lot of focus on CDF and nobody can mess with it.

The Kazi kwa Vijana Project has about Kshs3.4 billion. That is sufficient money. However, if you give that money to technocrats - I am sorry I am in Government and a wrong must be called a wrong - it will never get down to the ground. We need to re-look at how we should administer those funds so that the money can get to the people on the ground.

Mr. Temporary Deputy Speaker, Sir, let me touch a bit on the global recession. A while ago, a senior politician who is my colleague spoke about the impossibility of foreign items reaching this country. I was disturbed as a student of economics and finance. This is because if we say, on one hand, that we want to become part of the global village, how then can we live in isolation? The fact is that the effects are slow as far as we are concerned, but they are surely and truly coming. A simple example is this: If you are selling your tea to Europe and the *wazungu* are now consuming less tea, you will sell less. That tells you that the demand for your commodity has gone down and, therefore, you are not selling. The simple issue of foreign exchange fluctuation is critical and needs to be addressed. We went to sleep a little while ago thinking that the recession is foreign to us and nothing will go wrong. Truly, we shall face the music when it comes down to us. However, we also have issues to address. For example, if we can take the benefit of our operations here and the comfort we have been enjoying and maximize on them, I believe we can grow and be in a position to address this matter. There are several measures that can be taken. I believe that the Minister concerned will address this matter at the right time.

Finally, Mr. Temporary Deputy Speaker, Sir, I want to implore upon my colleagues in this House; let us face each other straight, eye ball to eye ball. The Bible says: "Come and let us reason together". Together we stand, divided we fall.

Thank you.

Mr. Magerer: Thank you Mr. Temporary Deputy Speaker, Sir, for giving me this chance to support this Motion as brought to this House by the Minister for Finance.

Mr. Temporary Deputy Speaker, Sir, I would like to register our dissatisfaction in the way programmes have been brought in the Printed Estimates, only to be pushed to the next Financial Year. This is a worry to most of us because if that be the case, it means we are always passing a Budget that is not within the financial year that we are talking about.

Specifically, there is the issue of improvement of roads in this country. This is a major issue. It is very important that we improve the road network. Therefore, any strain

in terms of financial implications in the Budget--- I would like to request that, in future, the Minister should ensure that budget for roads is not affected.

Mr. Temporary Deputy Speaker, Sir, we have roads in my district that have been sneaked in the Budget and have always existed in the Printed Estimates. The road from Londiani to Fort Ternan has been in and out of Printed Estimates since 1965. I am afraid because the same road is a casualty of the freeze on the Development Expenditure. I would like to seek an assurance from the Minister for Finance, who is a good friend of mine that such roads are not going to be taken out of the Budget to be read in June. For many years, we have always been told that we have factored this and that project or road within the Budget. Then people clap their hands and imagine that the Government is thinking about them, only to be told that because of issues like the ones we are faced with now, the project cannot be undertaken.

I will agree that times are not the same. Not undertaking a project year in, year out, is not going to be acceptable. Mine is just to implore upon the Minister for Finance to look at the projects that are going to be left out, if that is necessary.

Mr. Temporary Deputy Speaker, Sir, the *Kazi Kwa Vijana* initiative is okay. To me, the Kshs3.4 billion that is being sought by the Minister to help our youth find jobs is very interesting. However, my worry is; how is this money going to be administered? We have had issues like this and the youth have always been told that the Government this time round believes in helping the youth. They have been told that this is a Government that is thinking about the youth and that is why we have factored in the Youth Enterprise Development Fund to the tune of about Kshs1 million or Kshs2 million per constituency.

Mr. Temporary Deputy Speaker, Sir, the *Kazi kwa Vijana* initiative is laudable. My reservations are on the implementation. I would like to ask the Minister for Finance to ensure that these kind of finances are made available to the real *vijana* at the constituency level.

However, we see the same Government having conflicting issues. The Government has increased the retirement age from 55 years to 60 years, yet it is telling us that they are thinking about the youth and would be creating job opportunities for them. As we look into this proposal from the Government, it is important that the Government thinks seriously about the youth. I am trying to tell the Government that the percentage of youth in this country is increasing day in, day out. Sooner or later, it is the youth who are going to develop their own programmes and implement them themselves. This is because we shall be having the numbers.

Mr. Temporary Deputy Speaker, Sir, on the issue of Internally Displaced Persons (IDPs), I want to agree with the Minister for thinking about these people who got themselves into this mess because of the bickering by, us, politicians.

As I support this Motion, it is also important to assure the IDPs that there is peace in the country and they should be willing to leave the camps. We have heard cases of IDPs refusing to leave camps. We have heard cases of the Government giving Kshs10, 000 or Kshs25, 000 to help assist the IDPs. We are an African society. Building a two-roomed house for an African family is not sufficient. I know that part of this money that we will approve today will go a long way in assisting the IDPs so that we can, at least, live together as Kenyans again.

Mr. Temporary Deputy Speaker, I beg to support but strongly ask the Minister for Finance to assure us that the cut-down projects are going to be funded by his Ministry in the Budget to be read in June.

I beg to support.

The Minister for Public Health and Sanitation (Mrs. Mugo): Mr. Temporary Deputy Speaker, Sir, thank you for the opportunity to support this Motion.

Let me on the onset, congratulate the Minister and his team for the Supplementary Estimates and the manner in which that Ministry has been managed for sometime now. We are proud to see that since 2003 when the NARC Government came to power, we have managed our Budget. The economic growth in our country has been well managed. There has been good discipline and that is how we have been able to pay for the Free Primary Education Programme. We have also been able to pay for health, subsidized secondary education and infrastructure, at a level which had not been seen in this country for a long time.

Mr. Temporary Deputy Speaker, Sir, it is a pity and it is a sad day for Kenyans when we see ourselves going back to where we might start depending on donor funding which we had said goodbye to. This is a problem of our own making. If we had been able to grow our economy, we should never have allowed ourselves; the political class, to slide backwards because of selfish reasons. I feel we should guard our nation so as never to go this route again, where we forget our economy and only think about power and things like that. That is why Kenyans are angry with the political class.

Mr. Temporary Deputy Speaker, Sir, we want to encourage the Minister for Finance and his team to step up the collection of taxes. We know that they can only collect as much as the economy base allows. That is why we must show leadership in this House. We must be at the forefront not to confuse the world. We must show that we are a responsible Government. We must show that we are a Government that can respect the signature of its Head of State. All governments in the world, even a parastatal, a house and a home, have a head. We are sending a very dangerous signal to the world when we refuse to accept the signature of the Head of State. What happens tomorrow when the President puts his signature on an internationally discussed agreement? Is it going to be said that it cannot suffice because he has not consulted? It may be a stopgap measure right now but I feel that we have endangered ourselves, our future and trustworthiness as a Government than any other time in our history.

Mr. Temporary Deputy Speaker, Sir, we cannot collect enough taxes to pay for all our needs. For example, I would like to implore the Minister that there are certain areas, especially health, education, infrastructure, food security and water that unless we can give enough money, our country cannot develop.

I am thinking of the current threat of Swine Flu that has now broken out in certain countries including Mexico and which we are trying to put surveillance mechanisms to be alert to keep that disease out of our borders. Our border health facilities need a lot of upgrading, equipment and resources so that we can to keep those diseases out. Our officers have enough modern equipment to screen those diseases.

Likewise, on food safety and security, the Government Chemist requires modern equipment and technology for us to test what foods are imported in this country to make sure that nothing that can harm the lives of Kenyans and probably even kill a lot of people comes into the country. Therefore, those are only very few areas I have

highlighted. In order to keep this nation healthy, the Ministry of Public Health and Sanitation requires a lot of resources more than has been allocated up to date.

Another area is that of water. Until we have enough water, we cannot deliver health or even grow enough food. As we all say, water is life. So, I am happy that lately, a lot of money has been allocated for water but we require, especially in the Ministry of Public Health and Sanitation, in our dispensaries and health centres, each one of them to have running water. I would urge the Ministry of Finance in the next Budget to look into these areas. Unless they are attended to, they can bring catastrophe; loss of many lives in this country. But let me, all the same, thank the Ministry of Finance for the little they have been able to give us and hope that more money will be voted for the Ministry of Public Health and Sanitation.

Mr. Temporary Deputy Speaker, Sir, on the youth, we are, at the moment, all of us very concerned with the insecurity activities which are going on. Whereas we cannot put the whole blame on lack of employment because I do not believe that because they are not employed, that is why they all commit crime, it would play a major role if we put more money for our youth so that we give more employment.

With those few remarks, I beg to support.

The Temporary Deputy Speaker (Mr. Baiya): Order, hon. Members! It is now time to call upon the Mover to reply.

The Minister for Finance (Mr. Kenyatta): Thank you, Mr. Temporary Deputy Speaker, Sir. I want to take this opportunity to thank all hon. Members for the contributions they have made. However, I would like to donate some of the time to my colleagues; Mr. Godhana, five minutes and Mr. Mudavadi, ten minutes before I conclude.

Mr. Godhana: Mr. Temporary Deputy Speaker, Sir, I stand here to support the Motion. I want, in the interest of time, to point out a few issues. The purpose of leadership is basically to deliver on services. However, that is not possible if we cannot increase production. Production is not possible if we cannot deal squarely with the problem of infrastructure.

I stand here to echo some of the sentiments made by my fellow hon. Members and an issue that was raised from the beginning of the opening of this House, which is inequitable distribution of resources. We are all aware in this House that this country has neglected some areas. I come from one of those areas which I believe were left behind in the past but I am happy that in last year's Budget, Kshs900 million was allocated towards the construction of Hola-Garsen Road, although it is not enough. What I was expecting from this Budget is that an additional amount of money would have been set aside to supplement the construction of that road to completion.

I know the Minister might not be aware but the Minister for Medical Services is quite aware that the Hola District Hospital is currently condemned. I was expecting that some money would have been set aside in this Budget to take care of that hospital. I think and believe that the Minister gave me these five minutes because he wanted to capture my views so that he can also allocate some funds towards the construction of the Hola District Hospital.

Mr. Temporary Deputy Speaker, Sir, one critical issue that is affecting this country today is the issue of food security. I come from Galole and you know where it is. It lies along the River Tana but I am a bit aggrieved today because despite Galole being along the River, it is relying on relief supplies for the whole of this year. For the last 20

years, Tana River District has been relying on relief supplies, yet in the same area we have two irrigation schemes; the Bura and Hola irrigation schemes. I know that we got some donations from outside of about Kshs500 million towards the rehabilitation of the Hola Irrigation Scheme but there were some areas that were not taken into consideration; that is, bush-clearing and reinforcement of the banks. I am aware that approximately Kshs200 million is required to jumpstart the irrigation scheme. This is critical because this will address the question of importation of maize. We only take one season of three months to produce 30,000 bags of maize. By estimation, I believe importing maize from South Africa takes about four months. I do not know how much money they use to import that maize but I believe that if we put in Kshs200 million towards the rehabilitation of the irrigation scheme today in April, and if we plant in May, then I can assure the Minister that come August, we will feed this country from Tana River District. Then come November, we will be able to produce another 30,000 bags of maize to support the relief effort.

Mr. Temporary Deputy Speaker, Sir, I wish the Minister could take this as part of his Supplementary Budget to allocate that Kshs200 million towards that project. I want to finish by saying that what has been said in this House can only be delivered by one thing, which is through the constitutional review. As a youth, I walked around this country in my previous business. I found out that this country has a lot of potential. What is remaining is investment. I want to plead with the people I call the elders, who fall in three categories according to my assessment. The first category is the people who are found in this House. We were hearing them before we came to this House. Some of them are still here.

With those few remarks, I beg to support.

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Thank you, Mr. Temporary Deputy Speaker, Sir. Let me, at the outset, thank my colleague hon. Kenyatta because, in the process of giving me a bit of his time, he has come out very well to demonstrate that the Grand Coalition Government can share. I will make sure that I utilize the ten minutes as effectively as possible.

At the outset, I want to support the Motion. By and large, this is more of a procedural process, bearing in mind that very soon, the Deputy Prime Minister and Minister for Finance will be delivering to this House his Budget Statement and also elaborating on the programs and how they should be financed for the next financial year. More importantly, I just want to add my voice to the fact that, perhaps, in Kenya, we may be under-estimating the crisis that we have. It is really important that we talk about it, so that people can appreciate it. You will recall that when the Budget was presented, the projected economic growth was 5.8 per cent. On the basis of the 5.8 per cent, revenue projections and expenditure programs were made. Many other issues were factored in on the basis of that level of growth. The reality now is very different. The reality is that the Ministry of Finance and the Ministry of State for Planning, National Development and Vision 2030 have downgraded the projection to show that the economy is going to slow down to about 3 per cent growth and, perhaps, it will be worse.

They have, indeed, listed quite a number of factors. The question that we have to ask ourselves is whether we shall be able to recover rapidly from the 3 per cent growth to a growth level that can come back to 5 per cent within the next financial year. These are very fundamental issues. What are the factors that can enable us to achieve continued

growth when that moment comes? Clearly, the crisis that we have gone through, particularly as a nation, where we indict ourselves in the sense that we have gone through an election and one year down the line, we are still politicking as if the next general election is just about to recur. These are not the kind of messages that we want to send across.

Mr. Temporary Deputy Speaker, Sir, some years back, when I was serving as the Minister for Finance, one of the things that happened in this country, particularly around 1992, was the issue of tribal clashes that were related to elections. Agriculture was devastated in this country and it took a very long time for the economy to pick up again in terms of growth. That means that we are still dealing with a fragile situation. It, therefore, calls for a lot of measures and restraints that need to be brought to bear by all the players in this country, so that we can start reversing this trend. We may talk of the post-election violence and the economic meltdown but, at the end of the day, it is our words that do the biggest harm in terms of scaring away the investors from this country.

The World Bank has recently produced the results of a survey indicating that Kenya is on the decline in terms of attractiveness as an investment destination. We are losing that to our neighboring countries, be it Tanzania, Uganda and even in the region. In addition to that, it is also coming out that the largest foreign direct investment that is beginning to take place in our neighboring countries like Tanzania, Uganda and Rwanda is by Kenyans. The largest foreign direct investors are the Kenyans who are finding a more conducive environment to invest in those countries and not invest in our country. They are now creating jobs in those other areas and we are losing the jobs in our own country. There is too much politicking and the procedures are too protracted. We have a situation where politics treats the members of the private sector, to a certain extent, as opponents.

Philosophically, we must ask ourselves: How does the Government thrive and expand if the private sector does not thrive? Then the revenues that we keep on talking about will not be realised. If the private sector does not thrive, then all these programs that we talk about and their funding will not be there. So, we must cultivate a more reasonable working relationship with the private sector in this country, so that the tax base can broaden and the ability to collect revenue can broaden. If we do not do that, we shall start going into the normal blame game where we will say that resources are not being allocated equitably because it will be too little to spread out.

Mr. Temporary Deputy Speaker, Sir, the other thing that I would like to point out is that even as a Government, in our philosophy, we must be very careful not to be too expansionist in terms of the Government itself. We should be facilitating the growth of the private sector and not ourselves. These are issues that we will need to rationalise under the Grand Coalition Government, particularly, as we look at the functions in the context of the next financial year. Some of the issues that need to be dealt with in the context of the Grand Coalition Government are to rationalise Ministries and their functions.

The Deputy Prime Minister and Minister for Finance has cut down on some expenditures. You may find that the process of procurement is not just limited to the problem that may be there within the Public Procurement and Disposal Act. But it could also be there because we are spreading ourselves too thin. Sometimes, even in the Ministry of Local Government, the reality is what would be the boundary of the Ministry

of Local Government and the Ministry of Nairobi Metropolitan? What is the boundary between the Ministry of Medical Services and the Ministry of Public Health and Sanitation? What is the boundary between the Ministry of Public Works and the Ministry of Roads? These are the fundamental issues that are eating into the efficiency levels when it comes to either procurement or delivery of many Government services. These are functions that the Grand Coalition Government needs to look at very carefully, particularly as the Deputy Prime Minister and the Minister for Finance prepares to deliver his Financial Statement.

One of the things that we need to bear in mind is that yesterday's ruling by the Speaker was, indeed, a surprise to so many people. Everybody had taken very specific partisan positions. The Speaker has done one important thing. He has underscored the independence of Parliament. We may not like his ruling, from whichever side you may be sitting, but he has underscored the importance of Parliament. It is important that Parliament retains that independence. Parliament should not operate under the direction of anybody. That is where we will be able to build and move very effectively in this country. I know there were moments when people would say that this is a sad day because there have been disagreements, but I feel that what has happened is part of the development process for this country.

Those of us who understand Kenyans' politics know that we will live with coalitions for a very long time. The era where you would find one extremely dominant party is going to be very difficult to come by. The lesson we have to learn now is that what can we do to consult appropriately because in any government, the process of consultation is absolutely necessary. But it is even greater in a coalition Government. The message that is being sent out is; let us learn to consult. Let us consult. Once we do so, it would be much easier to make decisions and carry forward on the reform agenda, particularly the constitutional amendment, that has been pending for the last 15 years. The lesson that Parliament has sent back to Executive is that: "You people sit down and talk among yourselves and sort out issues amicably." Let us come to Parliament with a united legislative agenda. Then we can face the criticisms and the corrections from the Back Bench who would be telling us that they think there is a fault line in this particular area. Then we correct and we move forward. That message is so critical. I can tell you from a financial view point that the Speaker's ruling may have stopped the slide of the shilling last night. Chances are the exchange rate could have started rapidly running away just by the sheer fact that there is potential political crisis in this country.

Mr. Temporary Deputy Speaker, Sir, I beg to support. I hope that that is the lesson we should grow and build upon in the next few years.

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): I want to thank my colleagues for the remarks that they have made in support of this Supplementary Budget. Indeed, it is possible for people to work together, if only they can give time to listen to each other.

Mr. Temporary Deputy Speaker, Sir, I want to once again thank all Members who have contributed to this Motion today. As I thank them, I wish to say that I would like to begin with the remarks that were made by hon. Okemo where he stated, as a Chairman of the Finance, Planning and Trade Committee, that, indeed, Supplementary Estimates are really to take care of unforeseen circumstances and are not really policy making times.

Many valuable comments that were made by the Members touched on issues regarding areas of priority and where we need policy change. We had a lot, especially about our procurement rules. Indeed, there is need for us to relook at that in order to be able to shorten the process of procuring, so that we can endeavor to speed up economic recovery. A lot was also said on the need to prioritise, for example, on irrigation, so that we move from being rain-fed agricultural country to a country that plans for food sufficiency through irrigation.

Mr. Temporary Deputy Speaker, Sir, I want to assure this House that all sentiments are sentiments that I intend to carry and take on board, especially when we are now looking at the Budget of the year 2009/2010 Financial Year.

However, allow me to make specific reference to certain issues that were raised with regard to the Supplementary Estimates. The first is to assure Members that as I said in the opening remarks, we have no intention of cutting back on planned expenditure, especially development expenditure on roads, energy and so on. What we have done is just taking cognizance of the fact that a number of projects are unlikely to be started between now and the start of the new financial year. Rather than borrow and increase the deficit that we already have, we took a decision that those projects that have not started and are not likely to be started, can be moved to the next financial year. They will, indeed, be given priority in the next financial year, so that those resources that are currently sitting in the accounts of Ministries can be utilised to provide much needed intervention, especially in this period of drought and famine. So, there is no intention to move away from what this Parliament approved. But rather, it is just taking cognizance of the fact that a number of those projects would not have started. Those monies would have ultimately returned to the Treasury. So, we took an active decision rather than borrow, to utilize those resources and move them to other priority areas.

Mr. Temporary Deputy Speaker, Sir, a lot has also been said about resettlement of IDPs. I want to assure this House that the Treasury intends to ensure that in the next financial year, enough resources are made available to ensure that that shame and scar that continues to tarnish the image of our nation is put to rest.

It is true that no country can or is isolated from the global financial crisis. Indeed, as was stated by hon. Mungatana, we can already see its effects when we look at the down-turn in our tourism and export markets. I want to assure this House that in the upcoming Budget and already we have started, we will give a detailed plan as to measures that we intend to take and the interventions that we shall make to ensure that we shove up our economy in order to face up with the global recession which we know would in one way or another affect us. We need to make sure that we have taken the necessary precautions to protect ourselves from that.

Equally, a lot was said about our environmental degradation and the effect that would have on our water catchment areas. Indeed, as part of the Supplementary Estimates, and through *Kazi Kwa Vijana* programme, a good deal of money has been set aside through the Ministry of Environment and Mineral Resources to deal with issues related to environmental protection, so as to ensure that we protect our water catchment areas. We intend as we move on to increase budgetary allocation for this much needed intervention, especially in view of the global warming situation that continues to affect us. We also want to ensure that we protect our forest and water catchment areas from

potential destruction, living today and forgetting that our children shall need the same for their survival tomorrow.

Mr. Temporary Deputy Speaker, Sir, there was reference made on the need for us to increase the amount available in terms of devolved funds. We all know that this country is moving and we know the great contribution that the Constituencies Development Fund (CDF) has made towards the development of this country. It has been able to make funds available in places where there was never a single Government project to be seen. This is something that, we as Treasury, are taking and looking at seriously in an attempt to see how that can be enhanced and further, how we can ensure that these funds are properly managed and accounted for.

Mr. Temporary Deputy Speaker, Sir, regarding corruption, again I want to assure the House that this is a vice that if not dealt with, can strangle our own economy. I want to assure this House that Treasury has not been sitting on its laurels. We have taken active measures to try and ensure that corruption is stemmed and where we find it, immediate remedial action is taken. I want to assure this House that in terms of wastage, we are in the process of improving our own information management system to ensure that this kind of wastage is curbed as we go on. While we acknowledge that it exists, we are putting in place, efforts to ensure that it is brought under control and resources are made more available to more deserving areas.

Mr. Temporary Deputy Speaker, Sir, I equally want to refer to the issue that was raised with regard to pending bills. I want to assure this House that as Treasury, we have moved to improve our debt management and we have gone a long way towards that end. There is no intention of hiding from this House any information that may be relevant, especially with regard to the debts that we hold. There was reference to debt servicing that was previously in the Budget but were removed. They were removed because we are in the process of re-negotiating some of them because they are commitments that we have made. But we as Treasury, have made it very clear that we shall not pay a single shilling of tax-payers' money that is not worth the value of whatever it is that we are purchasing. Until such time that we have fair value, we shall come before this House and tell you which commitments we have that we entered into and we would wish to pay. We will not hide anything. We are planning to deal with all those issues in a very transparent manner and the reason they are removed is because there is yet no agreement and we have no intention to pay until there is agreement.

Mr. Temporary Deputy Speaker, Sir, as I conclude, I would like to assure the Budget Committee - we have had sessions with them - that as a Ministry, we intend to work very closely with them. We have already started and with regard to our inability this year to be able to achieve what is contained within the Standing Orders is because the Budget cycle had already started. But starting from the next Financial Year, we do plan to work together with this House in the development of the Budget to make it more open and transparent. Indeed, it is the role of this House to participate as representatives of the people and to understand how monies that are paid by taxpayers are utilised.

Mr. Temporary Deputy Speaker, Sir, I want to join my colleague, Mr. Mudavadi in saying that none of what we say will ever be achieved if we do not have the political will. We must have the political will to work together, respect one another and listen to one another. We have stated that part of the problem that we have with the down-turn of our economy is the direct fact of the post-election violence. We must also acknowledge

that the conflicting noises that we continue to generate as leaders is also turning away investors who are looking for other havens to invest their monies. We must also realise that we shall not be able to achieve our development objectives like the 10 per cent economic growth that we have set ourselves, if we will not be able to listen to one another and we shall not be able to tone down the political volumes and noises. We should discuss amongst ourselves as leaders and respect one another. We should focus on the real challenge of delivering to Kenyans the promise of a middle income country by the year 2030.

I promise to work very closely with this House and to be open and as available as possible to Members of this House. I also call upon them as leaders to understand that our business is not just to raise the level of political noise but equally to give direction to our people.

With those few remarks, I beg to move.

(Question put and agreed to)

MOTION

APPROVAL OF PSC RECOMMENDATIONS ON CHAIR/MEMBERS OF IIEC

The Temporary Deputy Speaker (Mr. Baiya): Hon. Members, I have been informed that the Chairperson of the Parliamentary Select Committee on Review of the Constitution is not ready to move the Motion. So, the Motion is hence deferred.

(Motion deferred)

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Baiya): Hon. Members, there being no other business before this House, it is time to adjourn. The House, therefore, stands adjourned until tomorrow Thursday, 30th April, 2009 at 2.30 p.m.

The House rose at 5.45 p.m.