

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 19th August, 2010

The House met at 2.30 p.m.

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

### PRAYERS

### ORAL ANSWERS TO QUESTIONS

**The Temporary Deputy Speaker** (Mr. Imanyara): Hon. Members, this being an Allotted Day and there being some statements, be cautioned that Question Time must end promptly by 3.30 p.m. So, we will not be taking very many supplementary questions.

**The Assistant Minister for Environment and Mineral Resources** (Mr. Kajembe): On a point of order, Mr. Temporary Deputy Speaker, Sir. There is a bag next to me and I do not know its contents!

**The Temporary Deputy Speaker** (Mr. Imanyara): Just look on your left; I am sure you will get the answer.

Question by Dr. Otichilo!

*Question No.058*

#### GAZETTED BOUNDARIES BETWEEN EMUHAYA/ KISUMU WEST/KISUMU RURAL CONSTITUENCIES

**Dr. Otichilo** asked the Minister for Lands:-

(a) if he could provide maps showing legally gazetted boundaries between Emuhaya, Kisumu West and Kisumu Rural constituencies; and

(b) if he could also clarify whether it is legal to demarcate boundaries using such structures as residential houses and state what justification the management of Maseno University had in constructing residential houses along the perceived boundary between Emuhaya and Kisumu Rural constituencies?

**The Assistant Minister for Lands** (Mr. Rai): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

**Mr. Olago:** On a point of order, Mr. Temporary Deputy Speaker, Sir. If you notice, the Question the hon. Assistant Minister is about to reply touches on the boundary between Western Province and Nyanza Province at Maseno. That, for many years, has been the cause of tension between two communities living across those borders. The Question touches on Kisumu Town West, Kisumu Rural and Emuhaya constituencies. These are our common boundaries.

Mr. Temporary Deputy Speaker, Sir, I would request your indulgence that before this Question is answered, copies of the maps that the Assistant Minister intends to Table be given to me, hon. Anyang' -Nyong'o and Dr. Otichilo.

**The Temporary Deputy Speaker** (Mr. Imanyara): Order! You are anticipating. You do not even know whether any maps are being tabled or not.

Answer the Question, Mr. Assistant Minister!

Mr. Olago, you are out of order!

**The Assistant Minister for Lands** (Mr. Rai): Thank you, Mr. Temporary Deputy Speaker, Sir. Emuhaya Constituency falls within the larger Vihiga District while Kisumu Rural and Kisumu West constituencies fall within the larger Kisumu District. I wish to table maps showing legally gazetted boundaries between Emuhaya, Kisumu West and Kisumu Rural constituencies. I have Kenya Parliamentary Constituency Maps and Kenya Administrative Boundary Map.

Secondly, I have agreed with the Questioner to go physically to Emuhaya on 3<sup>rd</sup> September to find lasting solution to this particular matter. This is because it is very difficult to deliberate on this matter which is so technical on the Floor of the House.

*(Mr. Rai laid documents on the Table)*

**Dr. Otichilo:** Mr. Temporary Deputy Speaker, Sir, we have agreed with the Assistant Minister to go on the ground so that we can look at the boundaries on the ground, using the maps. The answer as given by him is not satisfactory. We will not be able to come up with any amicable answer here until we go on the ground. We need his technical people to be on the ground, so that we can see the boundaries. His answer clearly shows that they are not sure whether the houses I am talking about are built on the boundary or not.

We have a market centre called Emabungo in Emuhaya, but we have had notices given by Kisumu Municipal Council saying that they should demolish the houses. So, we need to go on the ground.

**Mr. Olago:** Mr. Temporary Deputy Speaker, Sir, the maps that I was talking about have now been tabled. I kindly request that copies be supplied to hon. Anyang'-Nyong'o, hon. Dr. Otichilo and I.

Secondly, in view of the emotions that this matter is likely to raise on the boundary, I kindly ask the Chair that the date for the visit be agreed between the three of us, not just with Dr. Otichilo only. I have not been able to talk to hon. Anyang'-Nyong'o because he is out of the country at the moment.

**Mr. Rai:** Mr. Temporary Deputy Speaker, Sir, in view of the controversy, I have no objection to sit with the three Members of Parliament to agree. But as far as the maps are concerned, any Member of Parliament can peruse them since they are now the property of the House. So, I do not have to bring some other maps. We can agree on the date of the visit. If the visit will be on 3<sup>rd</sup> of September or whatever, I have no objection.

**Mr. Wamalwa:** Mr. Temporary Deputy Speaker, Sir, this Question has come severally. It also touches on the Ministry of Housing and the Office of the Deputy Prime Minister and Minister for Local Government because of Berlin Wall effect; it is very sensitive. Would I be in order to suggest that apart from the Minister for Lands, we should also have the Deputy Prime Minister and Minister for Local Government and Minister for Housing visiting the site.

**Mr. Rai:** Mr. Temporary Deputy Speaker, Sir, I will take up the matter with the Office of the Deputy Prime Minister and Minister for Local Government and the Minister for Housing to see if we can agree on a date next week. We want to resolve

this matter once and for all. All the persons in this particular area are Kenyans. So, once we go there, I believe we will get a solution to this problem.

**Dr. Eseli:** Mr. Temporary Deputy Speaker, Sir, it appears that there is somebody who is playing mischief. It is unusual to have boundaries between administrative units of Kenya being demarcated by solid walls. This is not normal practice. Would I be in order to request the Assistant Minister to involve the Ministry of State for Provincial Administration and Internal Security?

**Mr. Rai:** Mr. Temporary Deputy Speaker, Sir, those details we will need to sort out when we go to the ground.

**The Temporary Deputy Speaker** (Mr. Imanyara): In view of what the Assistant Minister says, I think you will make the necessary arrangements for the visit and thereafter, if necessary, the Questioner can request for the Question to be reinstated.

Next Question!

*Question No.207*

REHABILITATION OF ELDORET – KITALE ROAD

**Mr. Wamalwa** asked the Minister for Roads:-

- (a) if he is aware of the dilapidated state of the Eldoret-Kitale Road; and,
- (b) what the Government is doing to improve the road.

**The Temporary Deputy Speaker** (Mr. Imanyara): Minister for Roads! Deputy Leader of Government business!

**The Minister for Agriculture** (Dr. Kosgei): The Minister for Roads is expected to be here. Maybe, he is delayed. If he is not here by the second round, then I undertake to make sure that this Question is answered as quickly as possible.

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Wamalwa, what do you have to say to that?

**Mr. Wamalwa:** That is fine with me, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Imanyara): Let us move on to the next Question by Member for Nyaribari Chache.

*Question No.274*

DELAYED CONSTRUCTION OF GESUSU-  
KEUMBU-IGARE-MOGONGA ROAD

**Dr. Monda** asked the Minister for Roads what has caused the delay in the construction of the Gesusu–Keumbu–Igare–Mogonga Road and when it will be completed.

*(Mr. Ojode stood up in his place)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Ojode, you are not holding brief for the Deputy Leader of Government Business!

**The Minister for Agriculture** (Dr. Kosgei): Mr. Temporary Deputy Speaker, Sir, he is interfering actually! May I request that the hon. Member gives us a little time and if the Minister for Roads is not here by the time we come to the end of

Question Time, I undertake to make them answer this Question at the next available opportunity.

**Dr. Monda:** Mr. Temporary Deputy Speaker, Sir, that will be fine but I seek the indulgence of the Chair to---

**The Temporary Deputy Speaker** (Mr. Imanyara): Let us give the Minister a chance. He may still come.

Let us move on to the next Question!

*Question No.201*

CIRCUMSTANCES SURROUNDING  
DEATH OF HESBON PONGE KIDERA

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

(a) what role one Mr. Ongoro played in the murder of Mr. Hesbon Ponge Kidera at Lower Kadongo Location, Kisumu West District on 14<sup>th</sup> March, 2010;

(b) why Administration Police who handled the initial reports of the murder and arson were partisan in favour of Mr. Ongoro and arrested only innocent persons; and

(c) what assurance he could give to the House that full and impartial investigation will be carried out.

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

(a) Michael Foli Ongoro was initially arrested amongst other suspects for the offence of murder of the late Hesbon Ponge Kidera which took place on 13<sup>th</sup> March, 2010 at Lower Kadongo Location of Kisumu West District. However, after investigations, he was found not to have played any role in the crime and was subsequently released. The allegations raised against him were not supported by any evidence.

(b) The Administration Police officers were the first security officers to arrive at the scene of the murder. They guarded the scene until the Officer Commanding Station (OCS), Maseno, and other investigating officers arrived and took over the scene. There was no bias or partisanship while handling the case by either the APs or the investigating officers. The following suspects were arrested: Michael Foli Ongoro; Jacob Lima Aga; Andrew Ouma; Gladys Adoko Ogada; Kelvin Otieno; and Erik Michael Odongo. After carrying out investigations, all the suspects except Jacob Lima Aga were released for lack of evidence. There was sufficient evidence against Jacob Lima Aga and he was arraigned in court and charged with murder.

(c) Investigations have been carried out and as indicated, a suspect has been charged with the murder of the late Hesbon Ponge Kidera.

**Mr. Olago:** Mr. Temporary Deputy Speaker, Sir, the initial suspect in the murder of Hesborn Ponge was Michael Foli Ongoro. He was arrested and then released. Could the Assistant Minister tell the House how long Foli Ongoro was kept in custody and on what grounds he was released?

**Mr. Ojode:** Mr. Temporary Deputy Speaker, Sir, the information I have is that during the investigations, the allegations that Michael Foli Ongoro was seen with the suspected murderers of the deceased could not be proved. There was no evidence which was presented to support the same. As a result of the murder, members of the

public invaded the home of Michael Ongoro and set ablaze houses within the compound because they alleged that he was one of the murderers. Thorough investigations are done when there is an allegation that you have murdered somebody. That was done and Mr. Ongoro was exonerated from the suspicion of being a prime suspect of the murder.

**Mr. Olago:** Mr. Deputy Speaker, Sir, could the hon. Assistant Minister confirm that there was an ongoing dispute between Michael Foli Ongoro and the deceased? In the course of this dispute, Mr. Ongoro warned the deceased that within a few days, he would be no more. That was the basis of the anger by members of the public when he was released.

**Mr. Ojode:** Mr. Temporary Deputy Speaker, Sir, the Assistant Minister is not aware of any bad blood between Mr. Ongoro and the deceased. If there is any evidence which can trigger another investigation, I am ready to have it. This is because murder is not a case you can just leave it like that. If there is any evidence linking Mr. Ongoro, I undertake to reopen the file and re-investigate this matter fully in order for the truth to come out.

**The Temporary Deputy Speaker (Mr. Imanyara):** Let us move on to the next Question by Ms. Karua.

*Question No.018*

ACTION ON CORRUPTION AT HARAMBEE SACCO

**The Temporary Deputy Speaker (Mr. Imanyara):** Is Ms. Karua not here? Mr. Assistant Minister, were you ready to answer this Question?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode):** Mr. Temporary Deputy Speaker, Sir, I am ready with the other two.

**The Temporary Deputy Speaker (Mr. Imanyara):** I will give Ms. Karua the benefit of another chance.

Let us move on to the next Question by Mr. Lekuton.

*Question No.068*

EMPLOYMENT GENERATION TARGETS  
FROM 2008-2010

**Mr. Lekuton** asked the Minister for Labour and Human Resource Development:-

(a) whether he could state the targets the Government fixed for employment generation during 2008/2009 and 2009/2010 and indicate the level of achievement so far; and,

(b) what the Government's future plans for employment creation are.

**The Temporary Deputy Speaker (Mr. Imanyara):** Is there anyone from the Ministry of Labour and Human Resource Development?

**The Minister for Agriculture (Dr. Kosgei):** Mr. Temporary Deputy Speaker, Sir, I seek your indulgence to find out where the Minister for Labour and Human Resource Development has vamoosed to. In the event that he does not show up, I will make sure that the Question is answered in the next available opportunity.

**The Temporary Deputy Speaker** (Mr. Imanyara): Is that okay with you, Mr. Lekuton?

**Mr. Lekuton:** Mr. Temporary Deputy Speaker, Sir, this is the fourth time---

**The Temporary Deputy Speaker** (Mr. Imanyara): Is it okay that we indulge him at the moment?

**Mr. Lekuton:** That is okay, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Imanyara): Let us move on to the next Question by Mr. Lagat.

*Question No.277*

FUNDS FOR CONSERVATION OF WETLANDS

**Mr. Lagat** asked the Minister for Wildlife and Forestry:-

(a) how much money has been voted for conservation of wetlands in the last five years;

(b) what clear conservation policy guidelines are in place to help in the conservation drive, given that failure to conserve these wetlands will cause increase in human/wildlife conflicts; and,

(c) what the Government is doing to reclaim wetlands that are now located on privately-owned land.

**The Temporary Deputy Speaker** (Mr. Imanyara): Is anyone here from the Ministry of Wildlife and Forestry?

**The Minister for Agriculture** (Dr. Kosgei): Mr. Temporary Deputy Speaker, Sir, obviously, there is something wrong. It is not comfortable. However, I will do my best to make sure that Ministers are here as required.

*Question No.306*

RETENTION OF MUTITO CDF VOTE  
BOOK AT KITUI CENTRAL DISTRICT

**Mr. K. Kilonzo** asked the Minister of State for Planning, National Development and Vision 2030:-

(a) why the Constituency Development Fund (CDF) Vote Book for Mutito Constituency has been retained in Kitui Central District Accounts office, yet the constituency has two districts (Mutito and Nzambani) of its own; and,

(b) when the Vote Book will be taken to the District Accountants of either Nzambani or Mutito District.

**The Assistant Minister, Ministry of State for Planning, National Development and Vision 2030** (Mr. Kenneth): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) I am aware that Mutito and Nzambani districts were carved out of the larger Kitui District in June, 2009. The Vote Book for Mutito Constituency should, therefore, have been moved to one of the new districts from Kitui Central District Treasury. The District Treasury for the new two districts commenced operations in February, 2010 when the District Accountants reported on duty in these two stations. The delay in the transfer of the Vote Book has been occasioned by lack of minuted resolution of the Mutito Constituency Development Fund Committee as to where between the two districts they wish the Vote Book to be transferred to.

(b) As soon as the minuted resolution of Mutito Constituency Development Fund Committee is received, the Kitui Central District Accountant will effect the transfer of the Vote Book.

**Mr. K. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, I thank the Assistant Minister for the good answer. Therefore, I do not have any further question.

**The Temporary Deputy Speaker** (Mr. Imanyara): Next Question by Mr. Musikari Kombo.

*Question No.343*

LACK OF WAITING LOUNGE AT JKIA

**The Temporary Deputy Speaker** (Mr. Imanyara): Is Mr. Kombo not here? I will do the second round now. I will start with Mr. Wamalwa's Question.

*Question No.207*

REHABILITATION OF ELDORET – KITALE ROAD

**Mr. Wamalwa** asked the Minister for Roads:-

- (a) if he is aware of the dilapidated state of the Eldoret – Kitale road; and,
- (b) what the Government is doing to improve the road.

**The Assistant Minister for Roads** (Mr. Kinyanjui): Mr. Temporary Deputy Speaker, Sir, first of all, I wish to apologize for not being here the first time the Question was asked.

However, I beg to reply.

(a) I am aware that the Eldoret-Kitale Road is in dire need of repair.

(b) I want to assure the hon. Member that I am committed to repairing the said road.

Indeed, I have already made a visit to the area and directed that the road be repaired. My Ministry, through the Kenya National Highways Authority (KNHA) has procured a contract for the repair of the said road at a cost of Kshs300 million, starting from Maili Tisa to Nangili Section and the contractor is already on site.

**Mr. Wamalwa:** Mr. Temporary Deputy Speaker, Sir, could the Assistant Minister confirm when he visited this road because I used it last week and I did not see any contractor on site? The road is in a terrible state, yet it is a road that leads to the breadbasket of Kenya. Farmers are threatening to blockade this road and it is a situation that must be addressed immediately. Could the Assistant Minister confirm if the contractor is actually on site?

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, we have divided the contract into two sections. The first section is Maili Tisa to Nangili, which is 20 kilometres. The other section is Nangili to Moi's Bridge which is another 20 kilometres. The first section has already been awarded to a contractor by the name Laman Enterprises at a total sum of Kshs176 million. The contract was signed on 16<sup>th</sup> July, 2010, and the contractor was expected on site 14 days thereafter. Our engineers indicate that he is already on site mobilizing and we expect the work to commence immediately.

**Dr. Eseli:** Mr. Temporary Deputy Speaker, Sir, the Assistant Minister has a habit of promising things that do not happen. In the previous financial year, he promised that the Turbo-Sikhendu-Endebes Road was going to be in this year's

Financial Estimates. It is not. Right now, he is saying that the contractor is supposed to be on site between Maili Tisa and Nangili. I can confirm that I was on that road on Tuesday. There is no sign of a contractor. Could the Assistant Minister assure us that he will go there and ensure that the contractor gets on site tomorrow?

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, I want to assure the hon. Member that maybe, what he is looking for is not what we mean by mobilization. Before the contractor will be seen patching, it will take some time because he has to acquire the site where he will store his machinery. The contract started on 16<sup>th</sup> July and is valid for a period of 12 months. As far as we are concerned as a Ministry, the contract is on course. So, it is not late and we have no reason to be worried.

**Mr. Mungatana:** Mr. Temporary Deputy Speaker, Sir, could the reason the contractor is not on site be that the Ministry has withdrawn what used to be a small percentage that they allocate to contractors to enable them move immediately to the site and then the rest of the money will come slowly? Could he also confirm if it is true that, in fact, the Ministry has withdrawn what used to be the practice to give a small percentage to allow contractors to move on site? If they have refused, what informed the change of policy to give money particularly to small contractors who would be able to start work immediately? What was the reasoning behind the change of that policy?

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, first, I want to say that we have no problem with the contractor being on site. However, the procedure that was there previously, where a contractor was automatically given money to start the work was discouraged partly because we would give money and some of them would never get to start the work. So, it is our belief that when you tender for this work, you have the necessary capital for you to be able to work until such a time when you can be paid. But on a needful basis, we are able to consider the advance payment.

**Mr. Wamalwa:** Mr. Temporary Deputy Speaker, Sir, the truth of the matter is that there is no road and motorists have been forced to divert through the bush, which is a security risk. Could the Assistant Minister, at least, in the meantime assure that grading can be done to allow motorists access Eldoret and Kitale?

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, the scope of the works includes heavy patching, regulating and re-carpeting with asphaltic concretes. But in the meantime, as this is being done, we will be able to create good diversions that will be able to allow passage of the sections that are particularly very bad. But I want to assure this House that in another two weeks, the hon. Member will be thanking my Ministry.

*Question No.274*

DELAYED CONSTRUCTION OF  
GESUSU-KEUMBU-IGARE-MOGONGA ROAD

**Dr. Monda** asked the Minister for Roads what has caused the delay in the construction of the Gesusu–Keumbu –Igare-Mogonga Road and when it will be completed.

**The Assistant Minister for Roads (Mr. Kinyanjui):** Mr. Temporary Deputy Speaker, Sir, once again, I wish to apologize for not being here to answer this Question the first time it was asked.

However, I beg to reply.



The delay of Gesusu-Keumbu-Igare-Mogonga Road is as a result of the following:-

(i) Weather conditions: The region received a lot of rainfall that has been a continuous hindrance and, therefore, the output of the earthworks had been hampered.

(ii) Cash flow related problems: The project has been affected by inadequate budgetary allocation arising from limited budgetary ceilings.

Nevertheless, the Ministry has undertaken the necessary measures to ensure that priority is being given to the ongoing projects which include the above road before embarking on new projects. This will ensure that the projects are completed in good time. In line with this, my Ministry has instructed the contractor to submit the revised programme of works and mobilize more equipment so as to avert more delays.

Finally, the contractor has applied for extension of time which is currently being processed. The road is expected to be complete by March, 2011.

**Dr. Monda:** Mr. Temporary Deputy Speaker, Sir, the road under question falls in the same region with the Kisii-Kilgoris Road, which has the same weather conditions but the Kisii-Kilgoris Road is complete despite the rains. What was the initial contract sum? Considering that there is a lot of time that has now passed, what is the revised contract sum to date?

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, I wish to correct the hon. Member that, I indicated that there were two reasons. One of them was the weather and the other one was cash flow related problems. However, the contract details he has requested are as follows:

The contractor is Kay Construction Company. The time of completion was 30 months and the contract sum is Kshs1,885,694,927. The commencement date was to be 24<sup>th</sup> March, 2008 and the completion date was 24<sup>th</sup> September, 2010. The time expired to date is 94 per cent and the works completed to date is about 60.81 per cent. The amount certified to date is 46.63 per cent and this is as per 30<sup>th</sup> June, 2010. I have indicated that the contractor has requested for extension of time and my Ministry is processing the request.

**Mr. Ochieng:** Mr. Temporary Deputy Speaker, Sir, could the Assistant Minister explain whether that extension means the Government paying more money to the contractor?

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, there are various considerations; some of them technical and others financial, but we will have to review the whole contract before we can give a clear answer on this, also bearing in mind who is to blame for the delays.

**The Temporary Deputy Speaker** (Mr. Imanyara): Last question, Dr. Monda!

**Dr. Monda:** Mr. Temporary Deputy Speaker, Sir, while I thank the Assistant Minister for that answer, what was the scope of work for the road?

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, the scope of work involved:-

(a) Construction of the roads to bitumen standards. The classified roads are approximately 37.8 kilometres and are in Masaba, Kisii Central and Gucha districts in Nyanza Province. The roads are:-

(b) Gesusu-Nyabisasi Road, D208. The road is approximately 16.8 kilometres long. The road starts at C16, D208 junction and traverses through Kiamakama and Nyanturago centers, ending at D208 and D207 junction in Nyabisabo, which is 13 kilometres.

(c) We have Keumbu-Nyabisabo-Igare Road which is D207. The road is approximately 10 kilometres long and it starts at B3/D207 junction at Keumbu through Nyabisabo and ends at Igare Center. The works also involve improvement of access roads to five existing market centers which are Gesusu, Kiamakama, Nyabisabo, Magonga and Keumbu. The earthworks are complete over the whole section.

(d) The Igare-Mogonga Road, E1048, is approximately 11 kilometres long and it starts at D206/E1048 junction at Igare and runs uphill through a steep terrain and ends at Mogonga Market at the junction with Kisii/Kilgoris, C17. It is only seven kilometres which have already been completed in terms of earthworks.

**The Temporary Deputy Speaker** (Mr. Imanyara): For the second time, Question No.018 by the Member for Gichugu! Is the Member not in? The Question is dropped!

*Question No.018*

ACTION ON CORRUPTION AT HARAMBEE SACCO

*(Question dropped)*

Let us now move on to Question No.068 by Mr. Lekuton. For the second time, Mr. Lekuton. He is not in. Question dropped!

*Question No.068*

EMPLOYMENT GENERATION TARGETS  
FROM 2008-2010

*(Question dropped)*

*Question No.277*

FUNDS FOR CONSERVATION OF WETLANDS

**Mr. Lagat** asked the Minister for Wildlife and Forestry:-

(a) how much money has been voted for conservation of wetlands in the last five years;

(b) what clear conservation policy guidelines are in place to help in the conservation drive, given that failure to conserve those wetlands will cause an increase in human/wildlife conflicts; and,

(c) what the Government is doing to reclaim wetlands that are now located on privately-owned land.

**The Temporary Deputy Speaker** (Mr. Imanyara): Where is the Minister for Wildlife and Forestry?

**The Minister for Agriculture** (Dr. Kosgei): Mr. Temporary Deputy Speaker, Sir, he is still not here. I undertake to inform them to be available at the next available time.

**The Temporary Deputy Speaker** (Mr. Imanyara): In the meantime, the usual rule applies. The Minister will not be permitted to conduct or transact any business before he goes to the Speaker's office to give an explanation and have it approved.

**The Minister for Environment and Mineral Resources** (Mr. Michuki): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order to address Question No.277 to a non-existent Minister? Is there a Minister for Wildlife and Forestry? Is that in order?

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Minister, you should have raised that issue before the Question was dealt with. Next Question. Mr. Musikari Kombo. For the second time, Mr. Musikari Kombo? He is not here. The Question is dropped.

*Question No.343*

LACK OF WAITING LOUNGE AT JKIA

*(Question dropped)*

Next Order!

**Mr. Ethuro:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I rise on a point of order to inquire from you the following: While I congratulate the Deputy Leader of Government Business for her job, is it enough for her to tell us the obvious; that the Minister is not here? Could she not have attempted to answer on behalf of the relevant Minister?

**The Minister for Agriculture** (Dr. Kosgei): Mr. Temporary Deputy Speaker, Sir, I am very much aware of the Question and I have the answer here. However, I will not attempt to answer a Question which I will not give satisfactory response. I also believe that the Ministry responsible should be given a second chance to come here and answer the Question satisfactorily. So, give me until next time.

**Mr. Keter:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Hon. Nanok, the Assistant Minister, is outside here. I have just left him there. So, can he come and answer the Question?

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, Mr. Keter. You are out of order!

**Mr. C. Kilonzo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The frequent rate at which Ministers are not in the House to answer Questions is very alarming. I know that the Chair has enough powers. However, it appears that the Government has run out of ideas. My suggestion for the Government is the following: We should have multi-purpose Assistant Ministers who can answer all cross-cutting questions from all the Ministries to save the time of this House?

**Mr. Shakeel:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I wish to inform you that Mr. Kombo is out on parliamentary business.

*(Laughter)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, Mr. Shakeel!

**Mr. Olago:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The House is letting a very important point to pass by. Hon. Michuki raised a point of order on a Question being asked to a non-existent Ministry. You must excuse me because I did not hear your reaction. The Question is actually addressed to a non-existent Ministry.

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, Mr. Olago! Had you raised the issue when the Question was asked, the Chair would have ruled on it.

My direction was that the Minister was late in bringing up the issue. Had it been properly addressed when it was still alive, then I would have dealt with it.

**Mr. Lagat:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I think I asked the question and I already have an answer from Dr. Wekesa.

**The Temporary Deputy Speaker** (Mr. Imanyara): Order! If you have an answer, then you should be satisfied!

**Mr. Lagat:** Mr. Temporary Deputy Speaker, Sir, I still need an explanation from him.

**The Temporary Deputy Speaker** (Mr. Imanyara): You cannot get an explanation from a Minister who is absent!

Next Order!

## MINISTERIAL STATEMENTS

### STATEMENT ON BUTALI SUGAR MILLS WOULD BE *SUB JUDICE*

**The Temporary Deputy Speaker** (Mr. Imanyara): How many Statements do we have? We have two Statements. Deputy Leader of Government Business!

**The Minister for Agriculture** (Dr. Kosgei): Mr. Temporary Deputy Speaker, Sir, there are two cases pending in court relating directly to the requested Statements. One is High Court Civil Case No.206 of 2010 at Milimani Court filed by West Kenya Sugar Company Limited versus Kenya Sugar Board on 1<sup>st</sup> April, 2010. Butali Sugar Mills Limited has sought that it be enjoined in this case. This case, I am informed, is set to be determined on 17<sup>th</sup> September, 2010.

Secondly, Butali Sugar Mills Limited has filed a case in Kisumu High Court seeking an order to prohibit Kenya Sugar Board from interfering with the operations of its factory. This is Miscellaneous Civil Application No.17 of 2010. In the meantime, West Kenya Sugar Company Limited has sought leave to join the case and has been permitted to do so by the court. That case will be coming up for hearing on 27<sup>th</sup> September, 2010.

In view of that, it would definitely be *sub judice* for me to issue a statement on the matter and also for the House to debate it.

**The Temporary Deputy Speaker** (Mr. Imanyara): You are absolutely right! Under those circumstances, you cannot issue any statements.

**Dr. Khalwale:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I am the one who had sought the Statement the Minister is issuing. So, I request that the Chair allow me to comment on her response.

**The Temporary Deputy Speaker** (Mr. Imanyara): But the facts speak for themselves. She has cited the case number and when it is coming up for hearing. Under those circumstances, we cannot permit any debate on the issue.

**Dr. Khalwale:** Mr. Temporary Deputy Speaker, Sir, that is exactly why I would like to request you to allow me to comment on it.

**The Temporary Deputy Speaker** (Mr. Imanyara): But that is why we cannot comment because the matter is in court.

**Dr. Khalwale:** Mr. Temporary Deputy Speaker, Sir, it is because of the subject matter.

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, Mr. Khalwale! Are you now going to debate on an issue that I have ruled on?

**Dr. Khalwale:** Mr. Temporary Deputy Speaker, Sir, with all due respect, I am not trying to debate. You know that from previous rulings, a matter is usually stopped from being debated in this House on the *sub judice* principle depending on what is in court, namely; the subject matter. So, I would like you to allow me to mention that the purpose of my Statement was not in respect of the subject matter that she has brought before the House, with your permission.

**The Temporary Deputy Speaker** (Mr. Imanyara): Madam Minister, is the issue being raised by hon. Khalwale the issue relating to the request for the Statement?

**The Minister for Agriculture** (Dr. Kosgei): Mr. Temporary Deputy Speaker, Sir, hon. Khalwale is seeking to know why Butari Sugar Company has not been licensed. That is exactly what is in court. The Kenya Sugar Board is being sued for not registering the company. West Kenya Sugar Company is actually suing the same Kenya Sugar Board for restraining them from giving a license. It is exactly the same issue. Before I discovered what it was, I went to great lengths to research the issue and I have the details here with me. When I thought that I was completing the Statement, I discovered that there are two cases in court, which are directly relevant to this matter.

**The Temporary Deputy Speaker** (Mr. Imanyara): Madam Minister, please give the documents to the Clerk-at-the Table and the Chair will make a ruling upon the perusal of the request.

Dr. Khalwale, you can then revisit the matter on Tuesday.

**The Minister for Agriculture** (Dr. Kosgei): Thank you, Mr. Temporary Deputy Speaker, Sir. I will table the documents.

*(Dr. Kosgei laid the documents on the Table)*

**Dr. Khalwale:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I thank you for that. I would like to request the Chair that while you are perusing the documents, to be seized of the fact that the matter in court is that Butari Sugar Company is requesting---

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, Mr. Khalwale!

**Dr. Khalwale:** Mr. Temporary Deputy Speaker, Sir, but you gave me the opportunity!

**The Temporary Deputy Speaker** (Mr. Imanyara): Order! You have made a request, which is in the HANSARD, the Minister has laid documents on the Table and the Chair will look at them in the light of the request you made and on Tuesday, you will be given an opportunity to address the issue. You cannot direct me further than that.

**Mr. Olago:** Mr. Temporary Deputy Speaker, Sir, with all the humility and with respect to your ruling, if the Minister intends to rely on the Standing Order No.80, which provides that we should not debate such an issue in the House, then she ought to satisfy the House that the proceedings that she is referring to are not only active, but their discussion will be likely to prejudice the outcome of the court proceedings. She has not done so.

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, the ruling stands, Mr. Olago! Dr. Khalwale has informed me that he will not be here on Tuesday. So, the matter will come up on Thursday next week. Is that alright?

**Dr. Kwalwale:** Yes, Mr. Temporary Deputy Speaker, Sir.

## CIRCULATION OF HATE LEAFLETS IN BURNT FOREST

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Mr. Temporary Deputy Speaker, Sir, today in the morning, I undertook to issue a Ministerial Statement on the security of members of a certain community living in Burnt Forest in Eldoret, after leaflets were circulated asking them to vacate the area, owing to their stand in the just concluded Referendum.

I wish to state the steps the Government is taking to ensure that security of the targeted community is guaranteed. The Government is aware that some leaflets warning members of the Kikuyu community to vacate Ruku-ini, Kondoo, Kamuyu, Ng'arua and Rurigi areas by 25<sup>th</sup> August, 2010, because they voted in favour of the Referendum, were in circulation. The leaflets which were in several envelopes were discovered by a farmer on 10<sup>th</sup> August, 2010, at Ruku-ini Trading Centre while on his way to his farm. The farmer reported the matter to the nearby Ruku-ini Administration Police (AP) Camp. The AP officers visited the scene and collected five envelopes containing leaflets with the same message.

The matter was reported at Tarakwa Police Station and a case file No.832/173/201 was opened with a view of launching investigations aimed at identifying the persons behind the circulation of the leaflets and thereby arrest and charge them before the courts. Our investigations point to some members of some Non-Government Organizations (NGOs) and community based organizations operating within that area. The names and motives of the organizations cannot be revealed at this stage to avoid derailing the ongoing investigations.

In addition to the investigations the Government is carrying out, adequate measures have been put in place in the affected areas to mitigate against any incidence of insecurity. The measures include stepping up of foot and motor vehicle patrols by regular police, General Service Unit (GSU), APs and Anti-Stock Theft Unit personnel based within that area. Secondly, the Government has deployed adequate personnel and resources to beef up security of the residents within the affected areas.

Let me take this opportunity to caution any leader or organization against issuing inflammatory statements which may cause tension and bring fear and despondency in the country. The Government will take very stern action against such individuals or organizations. In fact, the police have recorded statements from some of the suspects and this will continue until the culprits are apprehended and brought to justice.

Finally, I want to assure the residents of Burnt Forest and, indeed, the entire Republic, that the necessary steps have been put in place to ensure that they are secure and they need not panic at all.

**Mr. Kiuna:** Mr. Temporary Deputy Speaker, Sir, while I commend the Assistant Minister for giving a satisfactory statement, I would request him, if possible, to name those NGOs and Community Based Organizations (CBOs). If possible, could he also name the directors of those NGOs, so that they can be known and apprehended? We know very well what happened in 2008. In the whole Republic, we voted wisely and openly, but how come it is only in the Rift Valley where some few individuals are threatening members of other communities?

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Ojode, maybe, you can allow two or three interjections, then you respond.

**Dr. Kones:** Mr. Temporary Deputy Speaker, Sir, further to the question by hon. Kiuna, could the Assistant Minister also name the financiers of those NGOs? It

looks like this is big business to some organizations and donor agencies. So, could he give the list of these NGOs and the CBOs and their financiers?

**Mr. Wamalwa:** Mr. Temporary Deputy Speaker, Sir, could the Assistant Minister also investigate other areas like Trans Nzoia where leaflets had also been circulated against certain communities to establish whether those NGOs also had activities in the areas or were involved in the circulation of the leaflets?

**Mr. Lagat:** Mr. Temporary Deputy Speaker, Sir, could the Assistant Minister give us the registration numbers of those organisations and state why they are doing what they are doing?

**Mr. Ojode:** Mr. Temporary Deputy Speaker, this is a very serious matter. I want to assure the whole country that the Government is alert, and that it is going to take action against those NGOs and CBOs, which want to destabilise the peace being enjoyed within Burnt Forest. This warning is for all Kenyans who love peace. I will take action against those who are out to incite people who have been living together harmoniously, and have inter-married amongst themselves. If those people are men enough, let them continue with those activities.

For purposes of investigations, I do not think this is the right place and time to name those NGOs. However, in order for thorough investigations to be carried out---

**Mr. Kiuna:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The Assistant Minister has said that since there are some investigations going on, he is not in a position to name those NGOs. Would I be in order to request him to name them, so that they can be known? We want to make sure that those people are known and arrested.

**Mr. Ojode:** Mr. Temporary Deputy Speaker, Sir, I was saying that the NGOs involved will face the wrath of the Government. I also want to caution leaders from that area, that I will never spare any leader who tries to incite people. Whether you are a Member of Parliament or leader of whatever status, I will never spare you because we need peace to prevail.

**Hon. Members:** Point of order! Point of order!

**Mr. Ojode:** Mr. Temporary Deputy Speaker, could I finish what I am saying before you take the points of order being raised? Hold your horses, hon. Members!

Mr. Temporary Deputy Speaker, Sir, you have heard leaders making inflammatory statements, inciting members of a particular community. I want to caution my colleagues to desist from making inflammatory statements, which can incite the people you live with.

*(Several hon. Members stood up in their places)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Order! Order, hon. Members! Let us have one person at a time!

Yes, hon. Leshomo!

**Ms. Leshomo:** Jambo la nidhamu, Bw. Naibu Spika wa Muda. Ningependa kumkumbusha Waziri Msaidizi kwamba masuala kuhusu usalama wa wananchi yanapaswa kuchukuliwa hatua mwafaka ili ukweli ujulikane. Waziri Msaidizi ametuambia kwamba ni lazima atachukua hatua. Ni hatua gani ambayo amechukua tangu tulipoanza kuzungumzia masuala haya ya usalama? Ninamwomba atie juhudi kubwa katika masuala ya usalama.

**Mr. Ojode:** Mr. Temporary Deputy Speaker, Sir, as I said, I have already arrested some people with regard to incitement in that particular area. That is the first phase of the action I am taking as the Assistant Minister in charge of internal security.

The other bit is naming the NGOs. I will name them. I am cautioning them that I will even have them de-registered, should the allegation proved to be true. I undertake that if it is, indeed, true that they were involved in inciting those fellows, I will de-register them.

**Mr. Olago:** On point of order, Mr. Temporary Deputy Speaker, Sir. Hon. Ojode was addressing the House in a most menacing manner, pointing a finger at a group of Members of Parliament and saying: “Even if Members of Parliament are inciting members of the public---“The Standing Orders of this House are very clear. You cannot impute improper motive on a Member of Parliament, unless you are able to prove your allegation and you have given notice of intent to discuss him or her.

**The Temporary Deputy Speaker (Mr. Imanyara):** Order! Order!

**Mr. Lagat:** On a point of order, Mr. Temporary Deputy Speaker, Sir. There are so many questions which have been asked, but the Assistant Minister has spent a lot of his time answering other things. Could you order him to answer those questions, which include naming the financiers of those NGOs and naming the NGOs which are doing that particular job, including the leaders involved?

**The Temporary Deputy Speaker (Mr. Imanyara):** The Assistant Minister has made it very clear that he is going to take action, and that he does not want to interfere with the ongoing investigations. He is going to come back to the House with information as soon as those investigations are completed.

Next Order!

#### POINT OF ORDER

**Mr. Olago:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I did give notice that I intended to seek a Ministerial Statement from the hon. Attorney-General. May I now do so?

**The Temporary Deputy Speaker (Mr. Imanyara):** Yes. You have exactly two minutes to do so.

#### ATTORNEY-GENERAL’S FAILURE TO ACT ON HATE SPEECH COMPLAINT AGAINST MATUGA MEMBER OF PARLIAMENT

**Mr. Olago:** Mr. Temporary Deputy Speaker, Sir, I would like to seek a Ministerial Statement from the Attorney-General in respect of the public complaint by the National Commission on Cohesion and Integration on the failure of the Attorney-General and the Commissioner of Police to take action on the report of an allegation of the commission of an offence under the National Cohesion and Integration Act, by the Member of Parliament for Matuga, Mr. Mwakwere. The Ministerial Statement should address the following pertinent and urgent issues:-

(a) when the Commission delivered the file of the complaint and evidence of proof of the allegation of hate speech to the Attorney-General and the Commissioner of Police, and what action has been taken so far;

(b) whether the Attorney-General has established why it became necessary for the Commission to make a public complaint over the inaction by the Attorney-General and the Commissioner of Police;

(c) whether the Attorney-General and the Commissioner of Police have established the veracity of the complaint by the Commissioners – that since they commenced investigation into this incident, they and their families have received



threats of harm over their phones – and what action the Commissioner of Police is taking to ensure the security and safety of the Commissioners and their families; and,

(d) whether the Attorney-General and the Commissioner of Police consider that full application of the penal provisions of the Act to all persons, irrespective of their political shade or class, could be a proper tool for elimination of threats, especially during election campaigns, so as to enhance national cohesion and integration.

Thank you.

**The Temporary Deputy Speaker** (Mr. Imanyara): Yes, Deputy Leader of Government Business!

**The Minister for Agriculture** (Dr. Kosgei): Mr. Temporary Deputy Speaker, Sir, the Attorney-General will be duly informed.

**Mrs. Odhiambo-Mabona**: On a point of order, Mr. Temporary Deputy Speaker, Sir. I just want to find out when the Attorney-General will issue a Ministerial Statement sought by Prof. Kamar before she was appointed an Assistant Minister. The Ministerial Statement relates to Calvary Temple Evangelistic Church, which is allegedly marrying off young girls.

**The Temporary Deputy Speaker** (Mr. Imanyara): Deputy Leader of Government Business, please ask the Attorney-General to provide the Ministerial Statement when he turns up to issue the other Ministerial Statement.

**The Minister for Agriculture** (Dr. Kosgei): I will do so, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Imanyara): Next Order!

## COMMITTEE OF SUPPLY

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

## MOTION

THAT THE SPEAKER DO NOW LEAVE THE CHAIR

Vote 07 – Ministry of Finance

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

May I take this early opportunity to thank the House and Members of Parliament for according me the opportunity to move the Vote for the Ministry of Finance and further, I would like to thank the Chairman and Members of the Departmental Committee on Finance, Planning and Trade for having constructively discussed this Vote with my Ministry when the same was presented before them. Before I present to this House the Ministry of Finance's budget for 2010/2011 fiscal year, allow me to remind hon. Members the mandate of the Ministry.

The Ministry of Finance derives its mandate from the Constitution of Kenya, Cap.7, Section 99 to Section 103. This is further amplified in the Public Audit Act, 2003 and the Government Financial Management Act of 2004, the Public Procurement and Disposal Act, 2005, the Internal Loans Act, Cap.420 and the External Loans and Credit Act, Cap.422, the Banking Act Cap.488 and other statutes enacted by Parliament. The details regarding the mandate of the Ministry are provided

in the Presidential circulars issued by the Office of the President from time to time. This mandate includes, amongst others, the formation and implementation of sound economic and fiscal monetary policies and provisions of overall direction, control and management of public finances.

Mr. Temporary Deputy Speaker, Sir, as we pursue this mandate, the Ministry is guided by the Government's policy priorities and commitment as amplified in the medium term plan of Vision 2030. This includes sustaining revenue collection above 21 per cent of Gross Domestic Product (GDP), restructuring public expenditure to be gross oriented and pro-poor, maintaining domestic borrowing at a sustainable level, maintaining a monetary policy consistent with low inflation without compromising economic recovery efforts, increasing private sector participation in the delivery of services, minimizing the cost of regulation and encouraging competition and consumer protection.

Mr. Temporary Deputy Speaker, Sir, as a guide towards the fulfilment of its mandate, the Ministry has set its vision as: "To be a world class institution in economic and financial management". To realize this vision, the Ministry has set its mission as: "The creation of an enabling environment for accelerating a sustainable economic growth through pursuit of prudent economic, fiscal and monetary policies and co-ordination of Government financial operations". To achieve this mission and vision, the Ministry would be pursuing the following strategic objectives:-

To ensure low and stable interest rates, an inflation target of 5 per cent and stable exchange rates.

To collect Government revenue when due through a fair and uniform application of the law.

To improve mobilization and management of external resources and improve allocation of public financial resources.

To manage public debt effectively and efficiently.

To optimize cash management and effectively administer the Government's financial system.

To ensure proper management, control and accounting of public funds and to safeguard Government's properties and assets.

To also streamline and reduce escalation of Government expenditure on transport.

To increase reliability, stability and soundness of the financial sector.

To promote and sustain competition.

To enhance institutional and human resource capacity for quality delivery of service and to create an enabling environment for private sector.

To harmonize retirement benefits schemes and to increase pension coverage to 60 per cent of the labour force and increase insurance coverage to effectively manage Government enterprises and to promote participation of the private sector through public/private partnership arrangements and to institutionalize monitoring and evaluation.

Mr. Temporary Deputy Speaker, Sir, the objects that I have outlined above cannot be achieved effectively without an elaborate organization structure. The Ministry of Finance is therefore organized in various technical as well as administrative departments. In addition to the departments, the Ministry has under it, a number of semi-autonomous Government agencies.

Before I present the budgetary requirements for 2010/2011 fiscal year, allow me to briefly highlight some of the achievements of the Ministry over the last three years.

Mr. Temporary Deputy Speaker, Sir, with regard to micro-economic stability, the strong economic performance in the period of 2003/2007 was possible through the pursuit of policies supportive of stable micro-economic conditions. Underlying inflation was broadly within the 5 per cent target while overall inflation average was 11.2 per cent over the period. Owing to the implementation of the sound fiscal and monetary policies and in close collaboration with the Central Bank of Kenya (CBK), commercial bank lending declined from over 18 per cent in 2002 to an average of about 12 per cent in 2007. Deposit rates have remained fairly stable during the period, thus leading to a narrowing of the spread between lending and deposit rates from 13.4 per cent in 2002 to 9.1 per cent in 2007. The Kenya shilling exchange rate remained fairly stable against the US dollar in 2006 and tended to appreciate in 2007 due to a strong balance of payment position as well as the weakening of US dollar against major international currencies.

Mr. Temporary Deputy Speaker, Sir, it should be noted, however, that owing to the adverse impact of some extraneous factors beyond the control of the Government, the above impressive trend could not be sustained in the financial year 2008/2009. These include the post-election violence, prolonged drought occasioning the import of food, fertilizer and increased related expenses as well as the global financial crisis amongst other things.

In 2009/2010 financial year, the Kenyan economy started recovering with real GDP growth of about 3.3 per cent. The economy is projected to grow by 4 to 6 per cent in 2010 and to rise to over 6.5 per cent over the medium term, especially as the benefits from the ongoing interventions in key sectors like agriculture, livestock, transport, roads, energy, information, communication and technology.

Mr. Temporary Deputy Speaker, Sir, with regard to revenue mobilization, revenue collection improved significantly over the period with total revenue growing from Kshs289.8 billion in 2004/2005 to Kshs373 billion in 2006/2007, representing a growth of 28.7 per cent in nominal terms. Revenue collected continued to increase to Kshs432.2 billion during the financial year 2007/2008 and to Kshs487.9 billion in 2008/2009 and then to Kshs548 billion for 2009/2010. This is equivalent to about 22 per cent of GDP. Revenue collection is expected to be maintained at over 22 per cent of GDP during the financial year 2010/2011.

Mr. Temporary Deputy Speaker, Sir, with regard to expenditure, over the period under review, total expenditure rose from Kshs303.7 billion in 2004/2005 to over Kshs600 billion in the Financial Year 2008/2009 and then to about Kshs1 trillion in the Financial Year 2010/2011. Recurrent expenditure rose from 257.7 billion in 2004/2005 to Kshs435.5 billion in the fiscal year 2008/2009 to about Kshs675 billion for the Financial Year 2010/2011. The Development Expenditure on the other hand rose from Kshs45.6 billion in the financial year 2004/2005 to Kshs163 billion in the Financial Year 2008/2009 and then to Kshs300 billion in the Financial Year 2010/2011. The increase in expenditure reflected the Government's desire to finance pro-poor and pro-growth priority programmes and projects. Areas given priority were those which ensured increased incomes of the poor and improvement in the quality of life such as health, education, agriculture, physical infrastructure as a result of the combined share of resources directed towards these sectors which also rose from 55.9 per cent in the financial year 2004/2005 to 66.4 per cent in the financial year 2009/2010. On the overall, expenditure will be maintained at about 30 per cent of GDP over the medium term.

Mr. Temporary Deputy Speaker, Sir, with regard to financing, the Government priority has been to reduce the overall fiscal deficit, including grants to 3.2 percent of

GDP during the Economic Recovery Strategy (ERS). However, due to strong revenue collection, the deficit averaged about 2 percent of GDP. As a result, net domestic borrowing was reduced from 4.3 percent of GDP in 2002/2003 to about 2.2 percent of the GDP in the financial year 2006/2007 and a repayment of 0.7 percent of GDP in 2007/2008. For the financial year 2010/2011, domestic borrowing will be pegged at 3.8 percent of GDP.

With improvement in macro-economic performance, Kenya faces a low risk of external debt stress although a cautious approach has to be pursued to ensure debt sustainability. During the period under review, the Ministry in collaboration with stakeholders and with a view to enhancing financial management in the public sector, carried out reforms under the following key areas:- Tax modernization, public expenditure on financial management, procurement, privatization and parastatal management, competition policy and law, financial sector restructuring and management, pensions management and business licensing. These reforms are ongoing and are at advanced stages of completion.

Mr. Temporary Speaker, Sir, let me now turn to the budgetary resources available to the Ministry for the financial year 2010/2011. The Ministry has a budgetary provision of Kshs53.3 billion to cater for its programmes, projects and activities during the financial year 2010/2011. Out of this, Kshs1.3 billion will be financed through Appropriations-in-Aid, leaving a balance of Kshs52 billion to be financed from the Exchequer. These funds will be applied on the following priority areas:-

The first one is the expenditure programme. The Ministry of Finance is implementing three major programmes in the financial year 2010/2011. These include the public finance management programme, which involves formulation and implementation of policies relating to mobilization, allocation and management of public financial resources and also serves as a co-ordination arm for appropriation of the annual budget in liaison with other Government Ministries, departments and agencies. The programme will require a total net provision of Kshs48.3 billion during the financial year 2010/2011.

The second programme is the development and stabilization of the financial sector. This programme involves the development of a strong and stable financial sector to facilitate economic growth. This will entail supervision and regulation of the banking and capital markets, retirement benefits and insurance sectors. This programme will require a total net provision of Kshs2.1 billion during the financial year 2010/2011.

The third programme is the promotion of the investment private enterprises and competition. The programme involves creating an enabling environment for private sector participation in economic development. This will entail provision of incentives to investors, implementation of regional and international economic co-operation agreements, removal of unfair trade practices, removal of barriers to trade, investment and consumer protection. This programme will require a total net provision of Kshs1.7 billion during the financial year 2010/2011.

Mr. Temporary Deputy Speaker, Sir, now allow me to go to expenditure by category. The Ministry will require a net total of Kshs31.2 billion to finance its recurrent activities and Kshs20.9 to finance its development activities.

The detailed breakdown of these expenditures are as follows:-

Recurrent Budget

- (i) Personnel Emoluments - Kshs1.5 billion
- (ii) Operations and Maintenance - Kshs1.6 billion

(iii) Grants and other Transfers - Kshs24.1 billion

(iv) Budget and Contingency Reserve - Kshs4.1 billion, making a total of Kshs31.2 billion.

The amount of Kshs1.6 billion will cater for the Ministry's operational and maintenance expenditure and it is allocated on various expenditure heads.

Given the central nature of my Ministry, a number of policy interventions are budgeted under this vote. The grants and transfers are funds to be utilized by various state owned enterprises which help the Ministry meet its mandate, subscription payments to regional and international organizations and national reform initiatives as follows:- The salary and adjustments to the police force of Kshs2.5 billion. This has since been increased to Kshs5.1 billion through internal re-allocations towards implementation of phase one of the adjusted scheme for the police force. The other one is hire of security transport at Kshs400 million, Capacity building for devolved functions at Kshs300 million, security related arbitration cases at Kshs790 million, temporary reform committees at Kshs278 million, subscription to international organizations at Kshs222 million, acquisition of police security equipment at Kshs1.6 billion, Kenya Revenue Authority - Kshs8.9 billion, payment of duty at Kshs450 million, group personal accident cover at Kshs480 million, the Public Procurement Oversight Authority (PPOA) at Kshs330 million, the Government clearing agency at Kshs330 million, the privatization commission at Kshs160 million, grants to Telkom (Kenya) Ltd at Kshs2.1 billion, grants to Kenya Railways at Kshs4.8 billion, the Public Private Partnership Secretariat at Kshs50 million and the Kenya Investment Authority - Kshs235 million.

Mr. Temporary Deputy Speaker, Sir, the Budget and Contingency reserve totaling Kshs4.1 billion comprises the following:- Kshs2 billion is for general contingencies that could not be foreseen during the budgetary process and Kshs2.1 billion for the drought contingency.

I should also note that out of the total amount of Kshs31.2 billion provided under the Recurrent Vote of my Ministry, only Kshs1.6 billion for operations and maintenance and Kshs1.4 billion for personal emoluments, relates to the Ministry's specific activities while the remaining is being held to fund wider Government operations. Details of the 2010/2011 Recurrent Budget under Vote R07 are highlighted in Appendix 2 (a) which is attached.

Mr. Temporary Deputy Speaker, Sir, under the Development Budget, the Ministry will require a net amount of Kshs20.9 billion to undertake the planned development activities earmarked for the 2010/2011 fiscal year as detailed hereunder:

(i) GoK funded projects	-	Kshs13.8 billion.
(ii) Roads revenue	-	Kshs6.2 billion.
(iii) Grants revenue	-	Kshs0.9 billion giving a total of Kshs20.9 billion.

Under the Government of Kenya funded projects, the following specific projects are planned for execution during the financial year under focus:-

(a) Kshs750 million will be required to fund the revenue collection modernization programme, including the construction of Nadapal and Liboi border posts for the Kenya Revenue Authority.

(b) Kshs807 million has been budgeted as equity participation in regional financial institutions, including the African Development Bank - Kshs250 million, the East African Development Bank - Kshs360 million and PTA Bank at Kshs197 million. An amount of Kshs180 million has been budgeted for the first phase of construction and equipping of the data recovery centre at Naivasha. This project will

cost Kshs800 million in total. Also, Kshs92 million has been budgeted towards local area networking in district Government offices.

Mr. Temporary Deputy Speaker, Sir, Kshs92 million has been budgeted towards Local Area Networking in district Government offices and Kshs160 million has been budgeted for the upgrading and maintenance of the Integrated Financial Management Information System (IFMIS).

As the Government continues to privatize State corporations, it should also be remembered that some restructuring is required to make the parastatals attractive to strategic investors. In this regard, the Ministry is requesting a total of Kshs2.1 billion to be transferred to various State corporations including the National Housing Corporation (NHC) – Kshs900 million, Telkom Kenya Ltd. – Kshs1 billion as a loan and Telkom Kenya Ltd. – Kshs175 million as part of the Network Of Business (NOFB) bill.

Mr. Temporary Deputy Speaker, Sir, the Ministry has also budgeted Kshs200 million towards the Government equity participation in De La Rue. The Ministry has also budgeted Kshs200 million towards the hiring of transaction advisors for the on-going privatization programmes including the National Bank of Kenya (NBK), the Kenya Wines Agencies Ltd. (KWAL), sugar companies and various national hotels.

Mr. Temporary Deputy Speaker, Sir, Kshs50 million has been budgeted as capital transfer to the Kenya Investment Authority (KIA) to cater for the regional expansion programme. The Ministry has budgeted Kshs132.5 million to cater for counterpart funding for donor-funded projects. A total of Kshs200.1 million will be used on minor alterations and repairs to office buildings and equipment at the Ministry. The Ministry is holding a total of Kshs6.2 billion in respect of a number of crucial development initiatives to be disbursed to the implementing agencies once the relevant implementation modalities are prepared and agreed on. These are; the Small and Medium Enterprise Support Fund to equip the youth with technical and enterprenual skills for employment and income generation – Kshs3.8 billion, write-offs through the co-operatives of losses incurred by farmers of Kshs200 million, the construction of a commuter railway line in Nairobi at Kshs1.9 billion and a feasibility study of a standard gauge railway line at Kshs300 million.

Mr. Temporary Deputy Speaker, Sir, the Ministry has also earmarked Kshs2.8 billion for the second phase of the Economic Stimulus Programme and this will be utilized in expanding irrigation and agricultural activities in areas which were not covered in the first phase of the Economic Stimulus Programme, (ESP) for example, Lake Chala, Yatta, Makueni, Lower Tana and Turkana area.

Having outlined the programmes my Ministry will undertake during this financial year, I wish to confirm that the funds requested will indeed be utilized effectively and efficiently. The Ministry will strive to uphold good governance in the delivery of services.

With those few remarks, I now seek the approval of this House for my Ministry to spend the sum of Kshs26.3 billion to finance both the Recurrent and Development votes for the financial year 2010/2011.

I beg to move and request Maj-Gen. Nkaisserry to second.

**The Assistant Minister, Ministry of State for Defence** (Maj-Gen. Nkaisserry): Mr. Temporary Deputy Speaker, Sir, I stand to second this very important vote.

In doing so, I would like to take this opportunity first and foremost to commend the Deputy Prime Minister and Minister for Finance and his entire team for giving this country prudent fiscal leadership.

Why do I say so? The Ministry has remarkably been in the forefront in the economic development of our country. For the first time, our budget reached Kshs1 trillion. This is remarkable. This shows leadership with acumen for fiscal development.

Mr. Temporary Deputy Speaker, Sir, when you look at the way this Ministry has continued to lead in the economic development of this country under the leadership of the current Minister, we are aware that we have several new programmes. We have the ESP which is going to change the face of this country. When you look at the major sectors of this country; agriculture, security, education, health, water and infrastructure, they have been given a lion's share of the budget. This is how a country can develop.

I also want to commend some of the departments under the Ministry of Finance, particularly the Kenya Revenue Authority (KRA). You heard the Minister say that the revenue collection levels have grown this financial year to over 22 per cent of the Gross Domestic Product (GDP). This is commendable.

Mr. Temporary Deputy Speaker, Sir, I, however, want to caution the Ministry to look critically at the most affected areas. When you look at the infrastructure sector, for example, the Ministry of Roads' budget is equal in all constituencies as though all constituencies are equal. There is no equity in allocation of resources in the Ministry. There is the issue of equalization. This is what we want the technocrats of the Ministry to look into.

When you look at the issue of education, for example, the education stimulus package, every constituency is supposed to have a centre of excellence. However, there are certain constituencies which do not need these centres of excellence since they themselves are already centres of excellence. Take an example of a constituency within Nairobi and compare with North Horr or Kajiado Central which I represent; they are not equal or the same as Starehe.

When distributing funds for electricity, the Ministry should target the most under-developed parts of this country.

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

*[The Temporary Deputy Speaker  
(Dr. Laboso) took the Chair]*

Madam Temporary Deputy Speaker, you heard the Minister articulate the programmes the Ministry is undertaking. These programmes are going to alleviate the levels of poverty and elevate the levels of development in our country. It is commendable for the Ministry to undertake these programmes.

I would like to be very categorical that the new Constitution which will be promulgated on the 27<sup>th</sup> will bring the issue of equity. I commend this Ministry and ask the House to approve the request by the Minister.

With those few remarks, I beg to second.

*(Question proposed)*

**Mr. Okemo:** Madam Temporary Deputy Speaker, I want to start by congratulating the Minister because the Committee and the Ministry have worked very closely. We have held very wide consultations and we have discussed most of

what he has said. All I want to add is just a few comments. The Ministry has done a commendable job in certain respects and I think we must give credit where it is due. In particular, in the maintenance of macro-economic stability, the Ministry has done a commendable job. It has kept the inflation levels at reasonably low levels. I would like to single out the Central Bank of Kenya (CBK) which is the regulatory agency responsible for monetary policy. I think they have done a very good job for this country. If you look at the trend of interest rates that are being charged by commercial banks to customers, it has been declining. That is a very good thing. It means credit is affordable and that stimulates economic activity in the private sector and the cost of doing business goes down because of those low interest rates. In fact, I think CBK has been more proactive than the commercial banks. The commercial banks are responding, but I think they are doing so rather slowly. I wish to urge the commercial banks to heed the advice from CBK to reduce the lending rates further down than where they are today.

I also wish to commend the Ministry for the introduction of the Economic Stimulus Programme (ESP) last year. I think there were serious implementation problems and, therefore, I do not think the intended effect of ESP was felt because no sufficient structures had been put in place to implement it. But this time round, 2010/2011, with sufficient consultations, I believe that ESP is going to have the desired effects. We would like to urge the Minister to work very closely with some of the Ministries like the Ministry of Education and the Ministry of Industrialization on some of the packages in the ESP.

I have a few concerns which I would like to bring to the attention of the Minister. We have a number of funds that have been created by the Government. I am talking specifically here about the Youth Enterprise Development Fund (YEDF), for example. I see very little logic or rationale for the Government to direct that huge amount of money through commercial banks, which then on-lend at very high commercial rates of interest--- In fact, they make a lot of money out of it. I am not saying that commercial banks should not make money. But what I am saying is that commercial banks which have been given money by the Government to on-lend for purposes of stimulating economic activities, should only add something on top that reflects their cost of doing business; meaning that they should not lose money. But they should not make extra ordinary profits on account of funds that have literally been given to them for free. So, this is something that the Government should follow up and ensure that the funds which have been created by the Government with the intention of stimulating economic activities are lend to wananchi, youth or women organizations at low interest rates, so that they can serve the purpose for which they were created.

Madam Temporary Deputy Speaker, I also would like to mention briefly the issue of the Government investing in De La Rue. This is an issue that we raised a long time ago. It is still before the Committee. What is the justification for the Government--- Arguments have been given; fairly good ones, but there have also been counter-arguments. We should not mix equity participation by the Government with competition and procurement of services. If we want to get currency notes, we should procure them competitively in accordance with the Procurement Act. If the Government feels that it is worth participating in an economic venture, then it should do so independently. I do know that currency supply is not just another good because it is a security item. I see that, that is where the Government is coming from. We have to balance those two arguments. We still feel that there must be put in place mechanisms to ensure that, merely by participating in the manufacture of currency,



that the commercial outfit is not going to freeze the Government simply because they have a monopoly. There must be ways and means to check that, indeed, the price being charged for those currency notes is competitive. If we get that assurance--- If the Government can give that assurance and demonstrate that, indeed, the currency notes being procured from De La Rue, in which they have an equity interest, is comparable to prices if they procure the same from elsewhere, then I will be very comfortable! It should not be merely to say that De La Rue is there, we must put money there because we want to make sure that the money can be securely produced; we are encouraging local employment and other things. Those arguments have been given. I believe that the overriding factor is security and competitive pricing. So, if we can get that assurance from the Government, then I think we would be very comfortable.

I also have an issue with the Consolidated Fund Services (CFS). There is an item which is in the Budget called Guaranteed Debt of Kshs1,183,000,000. It is not clear from the Minister's presentation what it is. But, maybe, he will throw light on it when he will be replying. He should tell us what that item is. I was also a little uncomfortable with over Kshs1 billion that is being paid to Telkom Kenya. In fact, this is an item that appeared in the local media and there are questions being raised. When the privatization took place, the Government got a certain amount of money from whoever bought the licence. It looks like there were some issues that were left pending. Now ten years or so down the road, the Government should not be paying the person who actually paid us money to get the licence for the mobile telephone service. So, could he give us a justification as to why we should be paying ten years later, over Kshs1 billion to somebody who purports to have bought shares in Telkom?

Madam Temporary Deputy Speaker, I just want to conclude by saying that the Committee found out that the Office of the Deputy Prime Minister and Ministry of Finance has behaved in a rather high handed manner, particularly in relation to the Ministry of Planning, National Development and Vision 2030.

It was our observation; unfortunately the following Ministries fall under the mandate of our Committee: the Ministries of Finance, Planning, National Development and Vision 2030 and Industrialization.

As we were analyzing this budget there seemed to be a disconnect between the Ministry of Finance and the Ministry of Planning, National Development and Vision 2030. The left hand did not seem to refer to the right hand, yet they belong to the same body. So, we would like to urge the Ministry of Finance that from the facts that we saw and even the way the budgets have been put together, it was quite evident that the Ministry of Finance was patronizing the Ministry of Planning; it was behaving like the big brother. So, could you put your act together so that each Ministry is given its rightful role, and so that one side of the body and the other side act in unison?

With those few remarks, I would like to support the Ministry's Vote.

**Mr. M'Mithiaru:** Thank you, Madam Temporary Deputy Speaker, for giving me this opportunity to support the Vote on the Ministry of Finance.

First, let me sincerely thank the Deputy Prime Minister and Minister for Finance and his staff for the good job that they are doing in terms of giving policy direction, especially the exposition of the budgetary allocations for the various Ministries of the Government.

Madam Temporary Deputy Speaker, let me also thank and commend the Central Bank of Kenya for the role they are playing now in terms of giving the normal policy guidelines and also the overall supervision of our financial sector. I have in mind the way they have managed the three strange animals, that is the lending rate,

the inflation rate and the exchange rates. To cage those ones together and manage the economy is not a mean achievement. I want to thank the Central Bank of Kenya and note the direction they are getting from the Ministry of Finance.

Madam Temporary Deputy Speaker, let me also quickly say that Kenya belongs to the world, having signed the Millennium Development Goals (MDGs) in 2000. We have our biggest Ministries that are core in the achievement of the MDGs. These are the Ministry of Health, the Ministry of Education, the Ministry of Water and Irrigation and the Ministry of Agriculture.

From the allocated amounts that we have seen when going through the Votes of those Ministries in terms of finance; they are actually under provided for, especially the Ministry of Health and the Ministry of Public Health and Sanitation. They are terribly under-provided for. I will single out Millennium Development Goal number six that talks about eradication of HIV/AIDS, malaria and other communicable diseases. We find that although we are more or less on course towards the achievement of this goal, most of the funds are donor funds. The Ministry is yet to make the proper provision for this. So, if the donors withdraw from this, definitely we will not be able to achieve this particular goal. The same applies to the Ministry of Water and Irrigation and the Ministry of Agriculture that must be properly provided for.

The Ministry of Education must be provided for in order to achieve Millennium Development Goal number two which relates to provision of universal primary education. Right now, we see that in terms of volume and enrolment, we are achieving it, but the quality of education is wanting because of the shortage of teachers. We see now that there is an effort to employ 18,000 primary school teachers, and also teachers in secondary schools on contract. This must be taken seriously so that we have proper provision for employment of teachers on permanent basis, so that they can give proper guidance and also improve the quality of education.

Lastly, we have seen that, recently, the Ministry of Finance introduced the infrastructure bond to assist in getting funds for development purposes. That is well intentioned, because it will also assist our nation, so that even where we do not get donor funds we are able to support ourselves.

There is an area that the Ministry of Finance has paid lip service to. In 2008, a task force was set up to identify unclaimed assets. Its report has not been implemented up to today. Many banks have got funds in terms of billions that are unclaimed. Some of the owners of these assets died and nobody knows whether those funds exist at all. But the banks continue keeping those funds and even writing them back into their profits, as if the funds are profits from ventures by the banks.

We have the stock exchange where some money has not been claimed. We even have people who pay cash bonds, and money has been collected. Some of it has never been traced at all. The Minister has talked of how to have an efficient retirement scheme. Today the NSSF has billions whose owners they do not know. So, if that report is given, we know where all these funds are and the Ministry is able to marshal all these billions of shillings--- If they are not claimed, they belong to the Government. I am sure the Government can hold them and invest them in development projects; as and when the owners show up, the Government can pay them. That is an area the Ministry of Finance has to pay a lot of attention to, and ensure that we really get those funds.

With those remarks, I support.

**Mr. Ogindo:** Thank you, Madam Temporary Deputy Speaker, for this opportunity. Vote 07 is under scrutiny of two committees, the finance committee and

the budget committee. From the outset I want to commend the Ministry of Finance under the watch of Mr. Kenyatta for having done a good job ever since he took it over. We have seen tremendous improvement and a lot of resource mobilization under his watch. That is commendable. We have a stable economy.

Having said that, I must point out that the Minister did not honour our summons as a committee to come and answer a few questions on the Consolidated Fund Services. Under Consolidated Fund Services (CFS) in the present Budget we have allocated close to 19 per cent of it, and that is a huge chunk of our resources. It is imperative that we get to know what is in it, given the fact that the CFS is a privileged expenditure. We can only scrutinize it at the committee level.

What we noted was that the public debt in the 2009/2010 financial year stood at 45.6 percent of GDP. This is expected to rise to about 46 percent of GDP. On the face of it, when we evaluate these things qualitatively, we will have the Ministry of Finance saying that this is still sustainable. I think it is time the Ministry of Finance moved from this qualitative assessment of the debt levels to a quantitative assessment, whereby we can tie our public debt to a given figure of the GDP.

In relation to the Consolidated Funds Services (CFS) I want to say thank you to Kenyans who voted for the new Constitution. With the new Constitution we will have a more transparent country, where information will flow freely.

Under the privilege of CFS, it has been reported here repeatedly that there were pending bills that were converted into bonds and which are now being paid through the CFS. The problem with this is that these pending bills initially were not even eligible for payment. Today, they have been ring-fenced and they are being paid through the CFS. This is denying Kenyans the funds necessary for service delivery for their benefit.

The other thing is the continuous payment of the KENREN debt. No Kenyan, to date, has received benefits for this. We pay close to Kshs5 billion annually on this account. It is important that we get an opportunity to interrogate this, with a view of eliminating this from our debts.

Madam Temporary Deputy Speaker, in the advent of the new Constitution, I am glad to say that we will have a new beginning where we will have all our debts opened up. We will start on a clean sheet moving forward with those debts that we received values for. Overall, I want to say that the Office of the Deputy Prime Minister and Minister for Finance has done a good job. But there is room for improvement. The infrastructure is doing well, except for the Homa Bay airstrip which is still dilapidated. I hope this will be looked into soon.

With those few remarks, I beg to support.

**The Assistant Minister for Livestock Development** (Mr. Duale): Madam Temporary Deputy Speaker, I stand here to support Vote 07, Office of the Deputy Prime Minister and Minister for Finance.

From the onset, I want to congratulate hon. Kenyatta and his team for a job well done. I have said it even last year that it is under the leadership of the current Minister for Finance that many remote parts of this country have felt equitable distribution of resources across the board.

Madam Temporary Deputy Speaker, the figures given by the Minister are very encouraging; a GDP growth of four to six per cent in 2010/2011; a reduced public expenditure; a reduced domestic borrowing, and above all, increasing the private sector participation. These are very key indicators for a growing economy like ours. I want to thank hon. Kenyatta for rising to the expectation of this House and the country as a whole.

I also want to thank the Minister when it comes to revenue collection which has grown by about 28.7 per cent. This is due to the number of institutions under the Office of the Deputy Prime Minister and Minister for Finance which are run professionally. We have the Kenya Investments Authority (KIA), the Kenya Revenue Authority (KRA), the Public Procurement Oversight Authority (PPOA) and the Retirement Benefits Authority (RBA). It shows that we have the capacity and best brains running all these institutions under the Ministry of Finance. I want to commend the KRA in terms of raising revenue collection and widening the tax brackets among Kenyans in this country and, above all, for sealing all the loopholes for tax evasion that have existed in the history of this country.

Madam Temporary Deputy Speaker, we, as a country, just need to compare the budgets that were presented to this country ten years ago and the kind of revenue KRA that we used to collect 10-15 years ago *vis-a-vis* what we are doing today.

I also want to thank the Minister for the prudent measures he has taken when we went through the drought. I come from the northern part of this country. When this country faced a major severe drought last financial year and the pastoralists were losing their animals, the Deputy Prime Minister and Minister for Finance availed funds to cushion us against the effects of the drought. We want to thank him for that.

Above all, under the leadership of the current Minister, we have had various projects such the Economic Stimulus Projects (ESP) initiated in this country. Today if you go to the northern part of this country, you will find very remote dispensaries and health centres which have been built under these projects. You will find nurses and health officials who were employed under the ESP.

With those few remarks, I beg to support.

**Mrs. Shabesh:** Madam Temporary Deputy Speaker, I would like to support this Vote.

I want to speak about certain issues and I would like the Minister and his officials to allow me to step down the language a bit because, sometimes, when issues of finance are being discussed, they seem to be up there in the sky and not touching on the ordinary mwananchi.

Madam Temporary Deputy Speaker, I have heard the Minister speak clearly about wanting to improve the investment climate in Kenya. I would like to believe that he is speaking mostly to the Small and Medium Enterprises (SMEs). It is in this sector that, I believe Kenya will really grow. I believe that the growth in the SMEs does not only touch on the economy of the country, but touches on the livelihoods of the most vulnerable in our society, which are women. Most of the women businesses are in the SMEs zone. Mr. Minister, you know very well that there has been a round table meeting with the private sector with the President and the Prime Minister. But women in businesses, especially those who are in the SMEs have told me to come here and clearly state that they feel left out because these are normally big business magnets that they cannot compete with. The kind of businesses women own in this country do not have that kind of big investments, and they feel that they are not welcome in this round table meetings. I would like to suggest that the Minister considers having a round table meeting for women business entrepreneurs. I believe it is at these fora that opportunities for growth are discussed. Ways in which the Government can assist are discussed. It should be unfair to leave women out of these very important discussions.

Madam Temporary Deputy Speaker, I would also like to speak about the issue of disaster risk reduction. At the beginning of this year, I was appointed by the United Nations Strategy for Disaster Reduction as a representative for Africa. One of the key

things that we are lobbying for as Parliamentarians on this key issue is the issue of planning for disasters. I know that we have had floods and drought in this country. The Government has come out to be seen to do something about it. But it has always been on a crisis basis. It is now clear that climate change is here to stay. We can no longer pretend that this year was a good year. I believe when I was listening to the Budget for this year, I heard the Minister intimate that this will be a good year. There maybe no drought or floods. I can tell you, Mr. Minister, without a doubt; it could be just this year, but by next year, you will be in the same crisis. I believe it is about time that our financial planners started incorporating disaster reduction in their annual plans, especially in relation to Vision 2030. We should start including the aspect of disaster risk reduction in every Ministry's plan, especially Ministries that are involved with food production. This means putting in money to forestall disasters; to be able to give early warning systems in order to manage these disasters in a more economical way. As you know, we always spend much more in dealing with a disaster than planning for it. This is something that I would really like you to take into account as you continue to work very closely with Kenyans. Mr. Minister, I would like to tell you: We feel you. We see the impact of your Ministry. It is exciting to see a Minister for Finance who can be felt by the people. I believe that this Ministry is learning from having a young energetic Minister. Even if you are not here after this, this will be the trend of this Ministry; to be seen, to be felt by the people. By the end of the day, this is the key Ministry for this country.

With those few remarks, I beg to support.

**The Assistant Minister for Higher Education, Science and Technology** (Mr. Kamama): Madam Temporary Deputy Speaker, I want to first of all take this opportunity to congratulate the Deputy Prime Minister and Minister for Finance for doing a sterling job in this Ministry. All of you have praised him. I think he has done us proud. I want to speak from the point of view of those of us who are in the marginalised areas.

Madam Temporary Deputy Speaker, for the first time, this country is realising the impact of prudent financial management.

If you travel the length and breadth of this country and go to a place called Ileret which is close to Lake Turkana, you will find that there are remote places like Loima in Mr. Ethuro's place. You will find small dispensaries serving unfortunate Kenyans in those areas. I think it is a sign that we are devolving funds and money is now going to our people in the remote areas. So, we must praise the Deputy Prime Minister and Minister for Finance and the so-called Treasury mandarins who are doing a good job now, unlike before.

Madam Temporary Deputy Speaker, this Ministry is in charge of fiscal policies in this country. It ensures that superior and better policies on management of finances are put in place. So far, I think all the requisite authorities have been put in place to ensure that revenue collection and investment programmes are on course. We must, therefore, encourage the Deputy Prime Minister and Minister for Finance to continue with the good work.

The Economic Stimulus Programmes (ESPs) are on course and every constituency is benefitting. We only need these projects to be completed within the required time frame. As we speak here right now, I know that some funds have been returned to the Treasury. Those funds were meant to develop dispensaries and health centers. We want these funds to be sent to the Ministries so that contractors can continue with their work.

I also want to praise the Office of the Deputy Prime Minister and Ministry of Finance for availing funds. I think the Deputy Prime Minister and Minister for Finance did a good job to talk to the Kenya National Union of Teachers (KNUT) and the Teachers Service Commission (TSC) to make sure that the stalemate that existed was solved. The issue of employing over 18,000 teachers is good news to Kenyans. I must praise the Deputy Prime Minister and Minister for Finance because this was a hot issue last year. Most districts will now benefit with over 60 teachers. I call upon the Deputy Prime Minister and Minister for Finance not to listen to some people who normally claim that some areas are benefitting disproportionately as opposed to others. The Ministry of Education has sent over 69 teachers to each and every constituency. I think this is fair. Other issues can be addressed. We should not use areas with larger populations to deny areas that are sparsely populated but with large land mass these teachers. We praise the Deputy Prime Minister and Minister for Finance on that aspect.

There is also the issue of fast-tracking Vision-2030. On this, I think we are not on course. We need to achieve the short-term goals of Vision-2030. We need the construction of the Lamu Port to be on course. We also need the Standard Railway Gauge to be on course so that we can achieve the short-term goals of Vision-2030.

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

**Mr. Konchella:** Thank you, Madam Temporary Deputy Speaker. I also rise to support this Motion and commend the Deputy Prime Minister and Minister for Finance and his team for a sterling job. I think they have made Kenya proud. While I like to talk about the marginalized areas because they were left behind for many years, I believe that the new Constitution will take care of this. We will blame ourselves thereafter and not the Central Government.

For this economy to grow and Kenyans to realise employment opportunities, we need to concentrate on major projects. The construction of the Port of Lamu and the northern corridor to Sudan and Ethiopia should be top in the priority list of the Deputy Prime Minister and Minister for Finance so that more Kenyans are employed. That way, we will have more opportunities to expand our economy.

Today, Kenyans are finding it difficult to pay insurance premiums. If you pay insurance premium for your new car, you would think that you would have been better off buying a second-hand car because the premium is too high. We are talking of 7.5 per cent of the value of the car. That is a colossal amount of money. I think the Deputy Prime Minister and Minister for Finance should look into this. It appears like the Deputy Prime Minister and Minister for Finance is punishing Kenyans for driving cars.

Madam Temporary Deputy Speaker, as we go through the Ministries' budgets, we realise that there is a problem with adherence to the Fiscal Management Act. Perhaps, the officers should establish a team to look at this. There are many problems with regard to pending bills and cheques in many Ministries. A lot of money is, therefore, not utilized. Where a Ministry is unable to spend the money because it lacks capacity, it should be looked at so that the money can be re-located to another Minister to provide proper services.

The other issue concerns the sale of parastatals and other Government agencies. We feel that the only way to re-distribute wealth in the country and ensure that all Kenyans benefit is to provide a plan where the majority of people benefit. We do not want to create cartels and monopolies because that is how the country loses money. This is because those people take their excess liquidity out of the country.

Therefore, the country does not grow because there is an elasticity of investment in any organization. Some of these people who make a lot of profit end up spending it out of this country.

We are yet to see money which is stashed out of this country being brought back. I do not know what the Office of the Deputy Prime Minister and Ministry of Finance has done to follow up the money stashed in foreign countries with international organizations. That money is being used to develop foreign economies when we are fighting here because of poverty. It is a concern that the Office of the Deputy Prime Minister and Ministry of Finance should address.

The sale of parastatals should be done through the Nairobi Stock Exchange although we know that not people from all parts of Kenya are aware of this investment opportunity. There should be a way of redistributing these resources so that the majority benefit and the country develops economically.

There is a lot of overlap of activities due to the large Government Ministries and Departments. There are programmes like the *Kazi kwa Vijana* and the ESP. We should organise them properly so that money is utilized properly. This should not be an avenue for people to make money.

Madam Temporary Deputy Speaker, with regard to the East African Community (EAC), unless we make Kenya a friendly investment destination, we will lose investments to other countries. I have been talking about this and something should be done. We need a one stop shop somewhere in the Office of the Deputy Prime Minister and Ministry of Finance so that any investor who wants a licence for anything or brings his people to work here--- Let the Ministry have one department to serve those people. That is what other countries have done and a lot of investments are going there. This is especially our neighbouring countries which form the EAC. So, something has to be done. It is a concern I cannot stress further than this.

I would like to talk about payment made to farmers. You know wheat farmers have been lucky this season. Last time we made a lot of noise in this House. As fate has it, Europe has no food for its people and so our farmers can sell them their wheat at a good price. So, we will not buy their wheat now. You need to create a fund which will cushion the farmers in future because you cannot know when there is surplus elsewhere. We should continue growing food crops so that we have food security in this country. We cannot rely on other countries to grow food for our people.

Madam Temporary Deputy Speaker, with those few remarks I thank the Deputy Prime Minister and Minister for Finance.

**The Minister for Public Health and Sanitation** (Mrs. Mugo): Thank you, Madam Temporary Deputy Speaker. Let me take this earliest opportunity to congratulate you on your elevation to the Speaker's Panel. But I want to ask the Speaker to add one more woman in that Panel, so that it becomes "regular".

*(Applause)*

Madam Temporary Deputy Speaker, let me take this opportunity also to congratulate and thank the Deputy Prime Minister and Minister for Finance and his team for a job very well done. We have seen the big growth in our economic sector, definitely, because of the management of our fiscal policy, especially after we came out of such a gloomy beginning in 2008.

Madam Temporary Deputy Speaker, I want to just touch briefly on the Small and Medium Enterprise Fund which we welcome especially, those Members of Parliament who represent urban areas. This is because we feel that a lot of focus has

been on the rural areas. We must make sure that it benefits the people who need this support, so that growth and wealth creation can be seen and done. I want to suggest to the Ministry that tied to this, if there could be a training or workshops for these small business operators on good management of business, I think we would get better returns.

Madam Temporary Deputy Speaker, let me turn on to the health sector and thank the Ministry for the support, especially the Economic Stimulus Package awarded to the Ministry of Public Health and Sanitation. Specifically, I want to thank the Ministry following last year's stimulus of creating maternity and pediatric wards to ensure safe motherhood and providing ambulances this year for referral purposes. Starting with the model health clinics, I would like to inform the Minister that we appreciate the Kshs1 billion that has been allocated to complete the health centres but, unfortunately, that money will not be enough. We will be calling on the Ministry for more funds. We will also request the Minister to ensure that the money which is returned to the Treasury should be revoted back to the Ministry so that we can finish these very noble projects. We know of the high maternal deaths which stand at 488 per 100,000 and the child mortality rate which stands at 72 per 1,000 live births. To reduce this, we need our maternity facilities up and running. We also appreciate the nurses and the technical staff who were included in the Stimulus Package this year. We hope that this will be repeated so that we can keep it at that level. One thing that was missing is our promise of taking over the health staff who had been employed by our development partners. Again, we will be visiting the Ministry to make sure that it is well catered for.

Madam Temporary Deputy Speaker, I would like also to tell the Deputy Prime Minister and Minister for Finance of yesterday's debate here. As my Ministry's budget was being debated, every Member stated how impractical it was to lease ambulances. They all proposed that we purchase the ambulances. First of all, it will be easier to maintain and sustain them. It will be sustainable development as opposed to leasing. Every Member stressed that and I would like to urge the Minister to relook at that issue. We better even purchase lesser ambulances which will be enough for constituencies than lease, for example, 300 ambulances and, maybe, not be able to sustain them.

Madam Temporary Deputy Speaker, I would also like touch briefly on water. I want to thank the Ministry for putting a lot of attention on provision of water. But as we know, health is very closely tied to clean water. We have had so many occurrences of cholera and such other diseases because of lack of clean water. I would like to ask the Ministry to ensure that every water project has a drinking water component in it.

Madam Temporary Deputy Speaker, I beg to support.

**Mr. Lessonet:** Thank you, Madam Temporary Deputy Speaker, for this opportunity to contribute to the Vote of the Ministry of Finance.

Madam Temporary Deputy Speaker, I want to start by thanking the Deputy Prime Minister and Minister for Finance for the Kshs1 trillion Budget. The only thing I want to add is that he should be able to raise that Kshs1 trillion from taxes. I want to believe that there is still a lot of money out there which the Kenya Revenue Authority (KRA) is not able to collect. The Ministry should, therefore, put a lot of effort in that particular area of revenue collection, so that we can start enjoying the good life now than in the next 30 years or in 2030, because that is still very far away.

Madam Temporary Deputy Speaker, I wish to note that the Minister has indicated that he wants to give Telkom Kenya a grant of Kshs2.2 billion and Kenya Railways, Kshs4.8 billion. I want to believe that these are private entities. But even if



they are public entities, they should be able to get this money from the market or banks. They should not get it from our taxes. Let Telkom Kenya go to the banks and get the Kshs2.2 billion which the Minister has indicated he wants to give it. Likewise, let the Kenya Railways go out there with its assets and get the Kshs4.4 billion from the market. You can imagine how many Kenyans can get water with this Kshs7 billion which has been allocated to the Kenya Railways and Telkom Kenya. If you were to allocate this money to water, you would be sure that many Kenyans would get water. So, you need to rethink these grants you are generously giving to these private and public entities.

Madam Temporary Deputy Speaker, the Minister has indicated also that he is going to give Kshs3.8 billion to the youth. I do not know whether it is through the Youth Enterprise Development Fund or the *Kazi kwa Vijana* Programme. The Minister may need also to relook at how he wants to spend this Kshs3.8 billion so that at the end of the day, it becomes useful to all of us.

Madam Temporary Deputy Speaker, the Minister has continued to break the law in terms of the Constituencies Development Fund (CDF) Act. During this Financial Year 2010/2011, he still made a choice that he was not going to give the 2.5 per cent of ordinary revenue and in the process, he has shortchanged us to the extent of Kshs900 million this financial year. When we add that to the Kshs1 billion which he shortchanged us during the last financial year, that comes to about Kshs2 billion. If the Minister is not able to adhere to the law to the extent of 2.5 per cent of ordinary revenue, how is he going to adhere when the President signs the new Constitution into law, which requires him to give us 15 per cent at the grassroots? The Minister should be more serious than that and give us our rightful allocation. In terms of CDF, he should give us 2.5 per cent of ordinary revenue. It is simple mathematics. We went to his office yesterday and showed him how to calculate, so that he does not keep shortchanging us.

Madam Temporary Deputy Speaker, I hope that before the Minister leaves the House today, he is going to tell us about the agreement which we made in his office yesterday; that he is going to give us Kshs800 million in Supplementary Estimates, come January, to cater for the shortfall in remittances to the extent of Kshs1.6 billion and give us the balance of Kshs800 million in next year's Budget of 2011/2012. I hope the Minister will mention that while he is responding to our comments.

Madam Temporary Deputy Speaker, you will note that last year, the Minister gave each constituency, among other finances, Kshs30 million for model schools. I want to inform him that we have not finished building those schools.

Actually, most of it was used to build schools and it cost more than Kshs30 million. You gave us Kshs30 million last year but this year, you have not given us any funds to complete those schools. What do we do with them? They will just remain structures which are not complete. So, Mr. Deputy Prime Minister, as you go back to your office, maybe, in the Supplementary Estimates, you should think about how you will give us at least Kshs30 million.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Dr. Laboso): I now call upon the Minister to reply.

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Thank you, Madam Temporary Deputy Speaker. I take this opportunity to thank all hon. Members who have contributed. Let me try and respond to some of the issues that have been raised.

First, I would like to thank my colleague, the Chair of the Departmental Committee on Finance, Planning and Trade for his comments on the work done by both my Ministry and the Central Bank of Kenya with regard to maintaining a stable macro-economic framework as well as our efforts towards reducing interest rates and ensuring that inflation is kept checked. There are, however, a number of issues that he raised, and which I would like to respond to. He and Mr. Lessonet raised the issue of the Youth Enterprise Development Fund. Indeed, as we work through the modalities of putting this Fund in place, we will try and ensure that banks do not overcharge. But the principal reason of using banks was for us to leverage the monies that we are giving - Kshs3 billion - against commercial banks. The banks that we give the money to can have a multiplier effect of adding five to every shilling that we give them, thus making available approximately Kshs18 billion from the Kshs3.8 billion that we have set aside. The spirit is to increase the amounts available, especially to our urban and rural people who are either under-banked or un-banked. That is our target. We want our banks to start targeting that sector.

With regard to De La Rue, this is a debate that we have had with the Committee and the Chairman for a long period of time. However, as much as there are supporting arguments, there are also arguments against. The supporting arguments are with regard to security. The argument was that the Sub-Committee of the Cabinet gave us approval to proceed with the purchase, provided that we got a fair value. In many other countries such as Canada, France and South Africa, their central banks own the currency printing establishments. So, we are not necessarily out of line with what actually happens in other countries. I do, however, take note of his comment that we must ensure that, the fact that we have equitable participation does not mean that we can allow such an entity to bring about exorbitant prices or overcharge Kenyans for the services or the product that they shall deliver.

With regard to CFS, he raised the question of Kshs1.18 billion which was not clear to him. This was previously reported under miscellaneous but now, for the sake of transparency, it is now being reported under guaranteed debts. This is to take care of debts that have been incurred by organizations which are, today, unable to service their debts such as the Nairobi City Council, the Kenya Broadcasting Corporation, the Tana and Athi Rivers Development Authority (TARDA), amongst others.

With regard to Telkom Kenya, I am sure that this House is aware that France Telkom had applied for that issue to be taken under arbitration, claiming that there were certain areas where the Government had not made full disclosure at the time of purchase. It was felt, after consultations, discussions and negotiations with them that there were some areas where they reported a number of issues which should have been the responsibility of the Government. An out of court arbitration settlement was reached and it was in that instance that we decided that, in order to put that company on sound footing, we make that contribution so that, that organization can stand on its own two feet.

Madam Temporary Deputy Speaker, with regard to hon. M'Mithiaru's query regarding continued addition of assets to key areas like water, agriculture, education, and physical infrastructure, you will note that towards that end--- I said in my Financial Statement that the contribution of the Kenyan Government towards those particular sectors has risen from 55.9 per cent in the year 2004/2005 to 66.4 per cent in the just concluded financial year. I think this is an indication of the Government's commitment in that particular direction.

With regard to hon. Ogindo's query, I wrote to the Committee and informed them that I was unable to avail myself. I spoke to the Chair and so, it was not a

question of not wanting to make myself available. However, more importantly, with regard to the issue of the debt register, an issue that has consistently been raised on the Floor of this House and in various committees, it is a public document which is even available on our website for anyone to go through. Indeed, we gave a document which, we indeed, left with the Committee on the day I was unable to attend. It was giving a proper explanation and a breakdown of the CFS for this particular financial year. Anytime that the committee may want to get any further additional information, this is a public document which is not only available to hon. Members, but to Kenyans as a whole. We would have no reason not to share it with the Members of the Budget Committee.

With regard to the airstrip at Homa Bay, I have talked with my colleague, hon. Ojode, and he has assured me that, that is a matter that he will deal with as priority No.1. So, Bwana Ojode, ni department yako---

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): When I get the money.

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): What do you mean when you get the money? You have the money!

**Mr. Ogindo:** On a point of order, Madam Temporary Deputy Speaker. Is the Deputy Prime Minister in order to misdirect such an important request from the people of Rangwe? Instead of taking it to the Ministry of Transport, he is taking it to the Ministry of State for Provincial Administration and Internal Security. Is he in order?

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Madam Temporary Deputy Speaker, it is, indeed, a security item. So, it is in the right place when I address it to hon. Ojode. It is his business.

With regard to the issues raised by hon. Shabesh, I could not agree with her more. I undertake that with consultations with other Ministries, we will try to put in place a round table conference for women business persons in this country, and see how we, as a Government, can mainstream them and ensure that they get the necessary support in doing business and improving the business environment.

With regard to disaster management, I could not also agree with her more. I would like to point out that there is a Cabinet Sub-Committee under the Prime Minister's Office that is working on a policy on disaster management. That is ultimately aimed to ensure that we, as a country, are properly prepared to handle disasters in future.

*[The Temporary Deputy Speaker  
(Dr. Laboso) left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, I am running out of time and I may not be able to go through every single issue. However, with regard to what hon. Konchella said about big projects, we are working with the Ministry of Transport to fast-track some of them. We agreed yesterday that we have broken no law with regard to the CDF. It is a question of understanding what ordinary revenue is. I think they agreed with us that we need to have a common understanding of what ordinary revenue is.

I have ran out of time and with those few remarks, I beg to move and request my colleague, the Minister of State for Planning, National Development and Vision 2030, who is not only a good friend, but also somebody who I work very closely with in terms of the financial management of this country, to move his particular Vote.

*(Question put and agreed to)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Minister of State for Planning, National Development and Vision 2030, please, initiate debate on your Vote.

THAT THE SPEAKER DO NOW LEAVE THE CHAIR

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

**The Minister of State for Planning, National Development and Vision 2030** (Mr. Oparanya): Mr. Temporary Deputy Speaker, Sir, I beg to move that the Speaker do now leave the Chair to enable me to introduce debate on Vote 06 – Ministry of State for Planning, National Development and Vision 2030.

I wish to express my gratitude for the opportunity accorded to me to move the Vote R6 and D6 for the Ministry of State for Planning, National Development and Vision 2030. From the onset, I wish to record my appreciation to the Departmental Committee on Finance, Planning, Trade and Tourism for its continued support to the Ministry on matters of planning and finance. The Ministry appreciates the guidance and rigorous review of the Ministry's work, performance and challenges, especially as it relates to financial constraints.

The mandate of the Ministry of State for Planning, National Development and Vision 2030 is to facilitate and co-ordinate the national development planning process and to provide leadership in national economic policy management. The core functions of the Ministry are as outlined in the Presidential Circular No.1 of 2008 of May, 2008. These include the following:- Co-ordination of the Constituencies Development Fund (CDF), monitoring and evaluation of economic trends and policies, the Kenya National Bureau of Statistics, the National Census and Housing Surveys, the National Co-ordinating Agency for Population and Development, the Kenya Institute for Public Policy Research and Analysis, the Economic Commission for Africa (ECA), the New Partnership for Africa Development (NEPAD), the District Focus for Rural Development Strategy, the Poverty Eradication Commission, the implementation of the Vision 2030, the monitoring of the millennium development goals and the African, Caribbean and Pacific Forum.

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

*[The Temporary Deputy Speaker  
(Dr. Laboso) resumed the Chair]*

In line with the above core functions, the Ministry's mission statement is to provide effective leadership and co-ordination in planning, policy formulation and tracking of results for a globally competitive and prosperous nation in line with the

Kenya Vision 2030 and its medium-term plan. To accomplish this, the Ministry has been and continues to pursue the following strategic objectives:-

1. Improving policy formulation, co-ordination and implementation by strengthening overall Ministerial human resource capacity and improving the working environment.

2. Improving the capacity of the national statistical system through conducting various census and surveys.

3. Developing and implementing sound population management policies.

4. Strengthening the national monitoring and evaluation systems.

5. Providing leadership and co-ordination required for successful implementation of the Kenya Vision 2030.

6. Strengthening participatory planning and co-ordination at both national and sub-national levels.

7. Strengthening the linkages between policy-planning and budgeting, including the MTF process.

8. Aligning the Ministry's ICT framework to E-Government strategies.

9. Strengthening linkages and co-ordination of regional and international organizations in economic relations.

10. Co-ordinating the implementation of programmes geared towards the attainment of the Millennium Development Goals (MDGs).

Madam Temporary Deputy Speaker, in the 2009/2010 Financial Year, the Ministry had a net approved Budget of Kshs23,710,690,350 for both Recurrent and Development Expenditures. These funds were utilized in the following major areas:- The CDF got Kshs12,546,000,000. The Kenya National Bureau of Statistics for population and housing census and other operations got Kshs8,322,207,470. The National Co-ordinating Agency for Population and Development got Kshs179,500,000. The Vision 2030 Delivery Secretariat got Kshs121 million. The Kenya Institute for Public Policy, Research and Analysis got Kshs160 million. The NEPAD got Kshs73,000,400. The Community Development Programmes, South Nyanza, IFAD, and the Central Kenya dry area projects, community empowerment and the institutional support programmes and other development programmes got Kshs950,674,150. The Millennium Development Goals (MDGs) programmes got Kshs169,500,000 and other Recurrent Expenditures including personal emoluments under general administration, planning and development services got Kshs1,267,808,730.

In summary, under the Recurrent Expenditure, out of an approved net Budget of Kshs9,174,308,730, an amount of Kshs9,092,757,164 was spent, representing an absorption rate of 99.11 per cent. Similarly, in the Development Vote, out of an approved net amount of Kshs14,536,381,620, an amount of Kshs14,169,842,910 was spent, representing an absorption rate of 97.4 per cent. The deviations are attributed to transfers and some delays in procurement for civil work and consultancies for capacity building, which needed a "no objection" from the African Development Bank under the community environment and institutional support projects as well as the second peer review of Kenya under the APRM that was postponed by the APRM panel of eminent personalities.

In the Financial Year 2010/2011, the Ministry has been allocated a net total of Kshs18,639,875,320. Out of this, Kshs2,071,945,700 falls under the Recurrent Vote while Kshs16,567,929,620 is under the Development Vote.

Madam Temporary Deputy Speaker, the voted amount falls short of the Ministry's resources requirement of Kshs26,467,695,500 thus resulting in a resource

gap of Kshs7,827,820,180. This resource gap will seriously affect the operations of the Ministry.

The key Ministerial activities that will be affected by this shortfall include co-ordination of the *Kazi kwa Vijana* programme, operations of the Vision 2030 Delivery Secretariat, establishment of South-South Co-operation Regional Centre and operationalisation of the newly created District Offices, starting of Knowledge Management Africa (Kenya Chapter).

Also to be affected include development of more rural resource centres for most of the new districts, provision of transport, equipment and reactivation of facilities for TBOs' offices, and the counterpart funding for the Western Kenya Community Programme to be funded by the Government of Finland.

Others include the implementation of the T21 Macro-economic Model, Kenya's participation in the high-level UN Summit for Heads of States this year, which will focus on Millennium Development Goals (MDGs); participation in the NEPAD and APRM activities, operations and up-scaling of the Poverty Eradication Commission activities, and Repositioning of the Family Planning Programme in order to bring the population growth under control.

Madam Temporary Deputy Speaker, in line with the programme-based budgeting, the Ministry has proposed to implement four programmes. The first programme is the District Planning and Community Development, which strives to enhance the standards of living for the rural population by providing social-economic infrastructure and co-ordinating and implementing sustainable community-based projects in rural Kenya.

Under this programme, we intend to finalise the Central Kenya Dry Areas Community Projects, accelerate the implementation and achievement of the South Nyanza Community Development Projects and roll out the Community Empowerment and Institutional Support Programme. In addition, the Ministry will initiate work towards the financing agreement with the Finish Government for the Community Development Project in selected districts of Western Province design.

Madam Temporary Deputy Speaker, the second programme is Co-ordination of Policy Formulation and Implementation of Vision 2030. The objective is to enhance capacity in policy formulation and co-ordination of Vision 2030 Flagship Projects, so as to make Kenya a globally competitive and prosperous country of middle income status by the year 2030. As all hon. Members are aware, the Vision Delivery Secretariat has been established, and will scale up its operations in the coming year.

The third programme is Policy, Research, Information and Statistical Services. Its objectives are to provide informed policy direction through research, collection and dissemination of statistical information appropriate for the attainment of Vision 2030 long-term goals. It is under this programme that the Ministry will fully release the 2009 Population and Housing Census results.

The fourth programme is Administrative and Support Resources, whose main objective is to provide the necessary facility support needed by the Technical Department to fulfil their mandate.

Madam Temporary Deputy Speaker, in order to facilitate the implementation of the above Ministerial Programmes, I propose to spend Kshs2,071,945,700 under the Recurrent Expenditure on the following major areas: General Administration and Planning, Kshs257,880,111; Planning and Development Services, including Recurrent Transfers to SAGAR; Kshs1,154,055,589; Statistical Services, Kshs640 million.

Under the Development Vote, the proposed net expenditure is Kshs16,567,929,620, which will be spent on the following major areas: Constituencies Development (CDF), Kshs14,283,000,000; Community Development Initiative, Kshs688,447,688, and Millennium Development Goals Programme, Kshs87,500,000.

Madam Temporary Deputy Speaker, other development initiatives involving the Government of Kenya and the United Nations Children Fund (UNICEF) will take Kshs189,786,482. In addition, I propose to make a transfer of Kshs1,319,195,500 to SAGAR under the Ministry for development operations.

At the bare minimum, we will need additional funding of Kshs3,351,064,000 to purchase at least 100 vehicles at the cost of Kshs300 million for field officers, Kshs410 million for Vision 2030 Delivery Secretariat, Kshs160 million for operations and maintenance of District Development Offices; Kenya National Bureau of Statistics will need Kshs2,081,064,000 for data processing and production of the 2009 Population and Housing Census results; Kshs500 million to carry out integrated survey, and poverty eradication activities will need Kshs400 million.

Madam Temporary Deputy Speaker, I wish to recognise the following development partners for their continued support to the Ministry through direct payments to the tune of Kshs1,857,837,725. These are the European Union, which supports poverty eradication programmes under the Community Development Trust Fund; the Finish Government supports the Millennium Development Goals.

Others are IFAD, which supports the Central Kenya Dry Area Project and South Nyanza Community Development Programme; the DFID and World Bank, which support STATCAP and monitoring and evaluation activities; African Development Bank, which supports the Community Empowerment and Institutional Support Programmes, and the UNFPA and UNICEF, which support various social projects, among others.

Madam Temporary Deputy Speaker, finally, I would like to request the House to approve a net sum of Kshs9,319,937,660 for the Ministry to enable the financing of both Recurrent and Development Expenditure for the financial year 2010/2011, as explained above.

With those remarks, I beg to move and request hon. Ojode to second the Motion.

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Madam Temporary Deputy Speaker, let me start by congratulating the Minister for a job well done.

There is a number of projects which are ongoing within this Ministry, but from the Minister's speech, you can tell that the Ministry is under-funded. If Ministries continue to be under-funded, it will be very difficult for them to complete the projects they have initiated.

The Vision 2030 Delivery Secretariat has been under-funded. The fellows under it will never implement the activities within the Secretariat if they cannot be given the Kshs410 million they have requested.

Madam Temporary Deputy Speaker, it not just the Vision Delivery secretariat but it is even within the Kenya National Bureau of Statistics. This organization talks about the poverty figures but how do we expect this Ministry to give us the right figures if they are under-funded to the tune of Kshs500 million? It is not possible. I would want to prevail upon the Ministry of Finance to look at issues which have been highlighted by the Minister in order for us to have the statistics which actually carry the reality on the ground. You can see that they also requested for about Kshs300

million for the purchase of vehicles. The District Development Officers (DDOs) cannot reach their stations. There are even those who work in two districts but they cannot reach those districts because of non-availability of vehicles. I would urge the Ministry of Finance to consider disbursing the required amount in order for the DDOs to have vehicles in the whole country in order to implement and inspect the projects which are under their jurisdiction.

Madam Temporary Deputy Speaker, Sir, regarding the District Planning Centres, when they started in the last financial year, we were told that we were going to plan for new District Planning Centres or planning units. They were about 83 new ones and about 24 existing ones which were supposed to be renovated. Those are some of the units which existed when they were given money in the last financial year. I was a beneficiary of one centre in Ndhiwa Constituency but to date, no work has started. The reasons which the Ministry is giving is that the Government of Kenya was supposed to pump in some seed money; about Kshs500 million, in order for the donor to also give Kshs500 million. To date, not even a single cent has been pumped in.

**Mr. Ethuro:** On a point of order, Madam Temporary Deputy Speaker, Sir. I am just wondering whether the hon. Assistant Minister, my good friend is seconding the Motion or making his own contribution. I suppose when you are seconding, you should be fully supportive and not asking goodies for your constituency.

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Madam Temporary Deputy Speaker, I am supporting and requesting the Ministry of Finance to avail or disburse funds to this particular Ministry in order for them to offer services. In any case, Mr. Ethuro knows that even in his constituency they were supposed to build District Planning centres but they have not done so. So, I am just pleading with the Ministry of Finance as I second.

**The Temporary Deputy Speaker** (Dr. Laboso): Please summarize. Your time is up!

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Ngoja!

Madam Temporary Deputy Speaker, I beg for one more minute to make a point on the International Fund for Agricultural Development (IFAD) projects. Within southern Nyanza, IFAD projects were supposed to use about Kshs600, 000. Those projects are ending by June 2011. I would also like to request the Minister to look for other donors in order for him to get more funds to service those projects which were undertaken by IFAD.

With those few remarks, I sincerely second this Motion.

*(Question proposed)*

**Mr. M'Mithiaru:** Madam Temporary Deputy Speaker, thank you for giving me this opportunity to support the Vote of the Ministry of State for Planning, National Development and Vision 2030. From the outset, let me commend the Minister and his staff for the sterling job that they are doing. We in the Departmental Committee on Finance, Planning and Trade have met severally with the Minister and his staff. We have gone through the budget allocation and we did the necessary inquiries and we have already, as a Committee, prepared our own report which the Minister is also aware of. On behalf of the Chair of the Committee on Finance, Planning and Trade, I wish to say that as a Committee, we support the Ministry's Vote. We know that the Ministry of State for Planning, National Development and Vision 2030 plays a very



key role in the Government. We know that it is this Ministry that co-ordinates the larger macro-economic policies of this country and co-ordinates all the planning efforts of all the Ministries concerned.

Madam Temporary Deputy Speaker, I am not going through the mandate of the Ministry because the Minister has already gone through it. But I would say that as a Committee, we have noted quite a number of observations that I would like to bring to the Minister's attention.

First, the Ministry in conjunction with the Ministry of Finance must participate fully in the preparation of a budget policy statement. We noted that this year, when the Budget Statement was issued in March, there was some little disconnect. I am sure even earlier on the Chair of the Committee on Finance, Planning and Trade noted that. So, we are saying that the two Ministries play a very key role. They should also always be talking.

The other observation is that this Ministry is charged with the population of this country. We know right now the results of the last census are pending to be released. The promise was that we were to get the interim results in December. That was not possible. We were supposed again to get them in June but that too was not possible. We know for sure that there are many planning projects in this country that are waiting these results. Already we are in a new constitutional dispensation that borrows heavily from that census document. So, we urge the Ministry to step up and ensure that these results are released as quickly as possible.

Madam Temporary Deputy Speaker, I also want to quickly add that besides releasing those results, the Ministry should now endeavour that the population update becomes continuous. It should be continuous because during the last census, we noted that there was some mix up, where the Ministry of State for Planning, National Development and Vision 2030 - the section that deals with statistics - was not able to align certain areas properly where you find that some locations were put in the constituencies where they do not belong. So, we are saying that the Ministry should ensure that the alignments are done because if they are not properly done, it means that you may give wrong figures for the particular district or constituency.

Second, is the issue of Millennium Development Goals (MDGs). This is the Ministry that co-ordinates the MDGs which Kenya is already a signatory. In this co-ordination, we lack a report from the Ministry. There is no report from the Ministry that has been tabled in this House and we say that it is time that the House begins to get the report on how we are doing in the achievement of the MDGs.

Madam Temporary Deputy Speaker, regarding the issue of Vision 2030, the same should also apply. We should know where we are in terms of the achievements of Vision 2030. Our Committee's recommendation is that the Ministry should come up with a proper forum on how these reports should be tabled in Parliament even if it means that an Act of Parliament should be enacted to ensure that all these are anchored within our laws of the land so that it gives a formal way of presentation to the House.

Madam Temporary Deputy Speaker, we also noted that the unity which co-ordinates the Millennium Development Goals has projects. Even the Minister said that they have a budget of about Kshs169 million but there is no proper way or criteria that has been put in place on how those developments are going to be shared. I have a case in point of what they call the quick wins, or the projects that are sponsored and funded by the United Nations Development Programme (UNDP). We should know exactly what criteria is being used to have these particular projects undertaken in region A and not B.

The third issue is with regard to the Constituencies Development Fund(CDF). The CDF is an area where there has been a bit of hue and cry especially on what we call the poverty index. You find that some constituencies that have been rated as very rich in Kenya are actually quite poor. They even lead in terms of child mortality and inadequate health facilities. Also, they lead in terms of hunger and have to rely on constant relief supplies. We are also saying that the Ministry should look into a proper way on what parameters to engage in arriving at the poverty index so that when it comes to sharing of the CDF kitty, there is equitable distribution of resources.

Madam Temporary Deputy Speaker, the Ministry's resource requirement was Kshs26.4 billion but they have been allocated Kshs18.6 billion. There is a big shortfall. We know that the areas that will be affected are quite key to this country. One of them, as was mentioned earlier on, is that one dealing with population. There is also the one that is dealing with *Kazi Kwa Vijana* (KKV), the delivery of services for the Vision 2030. There is also the one that is responsible for the expansion of the rural resources centres and the one on the co-ordination, creation and funding of all the district offices especially for the newly created districts. The Committee noted that this is a big inhibition to the Ministry because they should be able to get these funds for them to do their work as it should be.

Madam Temporary Deputy Speaker, Sir, there is also the issue of the women and the youth enterprise development funds which are being administered through the commercial banks. These commercial banks charge commercial rates without giving the Ministries money first. They give out their money first and then charge high interest rates. When it comes to the soft money which is supposed to go to the youth and women, you find that the red tape is so much that they are unable to comply.

Madam Temporary Deputy Speaker, we also noted that the KKV programme should be properly co-ordinated from the Ministry of State for Planning, National Development and Vision 2030. This is a planning issue and where we are having creation of jobs for our own youths. We also noted that in the country today, the opinion polls are playing a major role. We recommended that the Ministry should also properly fund Kenya Institute for Public Policy Research and Analysis (KIPPRA) so that it can provide guidance and regulations on how opinion polls should be undertaken given the impact of opinion polls on business and management of politics in this country. So that area should be funded quite well.

Madam Temporary Deputy Speaker, with those comments from the Departmental Committee on Finance, Planning and Trade, I beg to support.

**Mr. Njuguna:** Thank you, Madam Temporary Deputy Speaker. I take the opportunity to also join my colleagues in contributing to this very timely Motion. Let me also thank the Minister for providing very credible leadership in this Ministry. I would also want to extend the same commendation to the Assistant Minister who has been very active in this House and also to the PS who has continued to render very good service to this nation.

I would also like to make a few observations. First, let me start with the census. The census was a national exercise. It has caused some kind of anxiety in this nation because of the delay in releasing the results. I am happy that the Minister has indicated that the results will come out quickly. The expected results should be credible and acceptable. The results should not create room for any manipulation at all. We also note that there were clerical staff who were employed during the census and some of them have not been paid up to now. Therefore, it is important for the Ministry to make sure that these Kenyans have been given their dues. The results of

the census should come out sooner and sooner must be sooner so that the image that we have of the Ministry, that stigma is really cleared.

On the issue of the new districts, we have noted that the Ministry has made very strong efforts in providing District Development Officers. However, they do not have offices, vehicles and support staff. Therefore, it is important this Ministry would have been given more funds by the Treasury to meet the expected services. I note with appreciation that the Ministry intends to buy 100 vehicles. These vehicles must be equitably distributed to all the regions in this country. The distribution should not favour a section of this country.

On the issue of the Constituencies Development Fund (CDF), the Fund has really boosted development in this country. It has also created employment for our youth. Therefore, continued enhancement of this facility will be very important so that the idle youth in this country are really diverted from unnecessary evils in terms of taking alcohol and even smoking, and at times, they are not able to render any credible service in our areas.

Regarding the development funds, the Minister has indicated as being attracted to development partners. We would urge the Minister to make sure that fairness, justice and equity is employed. We noted that some funds will be diverted and taken to Nyanza Province. We should be hearing of Rift Valley, North Eastern Province and Lari in particular. We also note that the Ministry has continued to enhance the image of this nation with international---

With those few remarks, I beg to support.

**Mr. Ethuro:** Madam Temporary Deputy Speaker, I also wish to associate myself with the sentiments of hon. Members who have contributed before me, applauding the Minister of State for Planning, National Development and Vision 2030, Mr. Wycliffe Ambetsa Oparanya for a good job. I have personally witnessed tremendous consultations knowing that the CDF Committee has the Minister of State for Planning, National Development and Vision 2030 as the responsible person. We really appreciate. Every time we have called him to appear before the Committee to discuss any matter, he has been more than ready and willing to appear. I think whatever issues are there, when the framework is there for consultations and discussions, we will be able to surmount them.

Madam Temporary Deputy Speaker, there are, however, a few challenges in the Ministry. If you look at the vision of this Ministry it is: "To be a centre of excellence in planning for a globally competitive and prosperous nation with a high quality of life for all Kenyans".

I just want to tell my brother, it is not sufficient just to release results indicating the poverty indices in the country. It is also good to take action. This is not an implementing Ministry but the Government must realize that the role of the Minister of State for Planning, National Development and Vision 2030 is co-ordination. It must relate to the resource envelop of the Ministry of Finance.

Madam Temporary Deputy Speaker, I almost laughed when the Deputy Prime Minister and Minister for Finance was talking about a very cordial relationship between the two. Our own Committee's chairman stated that there seems to be a disconnect between the Treasury and the Ministry. What the right hand side of the Government is doing, the left hand does not know. The two for all practical purposes should be the two sides of the same coin. We need to see more coordination so that we can be able to realize this kind of lofty objectives that we have set ourselves as a nation.

I am also happy that this Ministry has seen it fit to give the National Coordination Agency for Population and Development (NCAPD) very good money. It is only that it does not seem to sustain it. When you look at the future projected estimates, the numbers are declining. This Agency has proven itself. It is networking with Parliament through the Population and Development Network which I have the privilege of chairing and all of you are very good members. This is where we look at the Millennium Development Goals (MDGs). We are looking at repositioning family planning. We are looking at what we can do to the country. It is not just enough to reproduce and have as many numbers, the quality of life is equally important.

For us Members of Parliament who may be having some political aspirations even beyond 2012, the issue is not the number of very poor emaciated Kenyans who just go to the ballot box to elect you. We want fewer Kenyans who are well fed, looking nice and they will elect you. That office will not be abolished whether you are poor or rich.

Madam Temporary Deputy Speaker, on population census, this is a budget the Ministry was given as early as the year 2005. This is an exercise that is carried out every ten years. This is an exercise that you can start planning for now. You can estimate when you are going to conduct census; 2425, the standard is known. Why do we not seem to be aware when to release the same results if not for the old trick of the KANU regime of playing around with figures in order to make some tribes lesser than others? There is a belief that if you come from Turkana you have no capacity to reproduce. If you come from Pokot or North Eastern--- That because I come from some part of the Republic, I am the only one who God ordained. Let us have timetables and follow them. It is not good for the Minister himself who is in charge of the Kenya National Bureau of Statistics (KNBS) to behave as if he cannot add up the figures. He behaves as if he does not know how to project. This is a Ministry full of eminent economists. If there is any Ministry in the Republic of Kenya that has professional economists; and I speak for a profession I know--- I feel embarrassed when they cannot tell us when they will release results.

I am, therefore, hoping that the deadline of 31<sup>st</sup> August is going to be the last one and it will not be shifted again.

Madam Temporary Deputy Speaker, payment for some of the people who participated in the census is still an issue. I know we have discussed with the Minister and he is willing to consider it but it is a recurring problem. The Minister needs to audit and make sure they are paid. When you start by paying---

**The Temporary Deputy Speaker** (Dr. Laboso): Your time is up, Mr. Ethuro!

**Mr. Ethuro:** Madam Temporary Deputy Speaker, I thought I have 20 minutes.

With those remarks, I beg to support.

**The Minister for Co-operative Development and Marketing** (Mr. Nyagah): Thank you Madam Temporary Deputy Speaker, I too would wish to start by thanking the Minister and his very able team from this very important Ministry.

The role of this Ministry is well known to all of us. Its history is well known to us and it is one that has played a very key role in the development of this country. It is for that reason that it is important for this Ministry to be well funded. This is a Ministry that cuts across every single Ministry. It is one that gives direction to the future of this country. It is one that the Ministry of Finance and all other Ministries such as ours depend on in terms of planning for the future. Therefore, if this Ministry is under-funded as is the case now, it will not perform that function that we all want it to perform. We will then start accusing it for all sorts of things including its inability

to produce census results. We will accuse it for not having enough vehicles. We shall accuse it for not having enough development officers in the districts. We shall accuse it of all sorts of things.

Madam Temporary Deputy Speaker, it is very easy for the Government to allocate resources. The budget of Kshs1.3 billion is definitely inadequate. I hope that in the coming year, this Ministry will get sufficient allocation in order to meet the roles that all of us expect it to perform.

With the creation of so many new districts, the first officer who is expected to arrive at the new district besides the District Commissioner (DC) and the Officer Commanding Police Division (OCPD) is a District Development Officer (DDO). How do you expect a DDO to operate when he has no vehicles and an office? May I urge the Treasury to consider giving this Ministry resources to buy vehicles and equip offices so that the key role that it plays becomes easy and performance becomes obvious.

I know one of the offices that every Member of Parliament calls upon for help when applying for their CDF monies and other things is the DDO. At least I used to do that when I was an elected Member of Parliament. Let us equip their offices. Let us ensure that their offices are model offices in which the DC, OCPD and all other Ministries can depend on for information when it comes to planning the constituency and district affairs.

Madam Temporary Deputy Speaker, this office is mandated with something every single one of us speaks of. That is Vision 2030. There is not a single speech that is read in this country that does not praise Kenya for having the Vision 2030. Have you seen the resources allocated to this office? This is an office that is expected to transform Kenya from a third world country to a Tiger of Asia. We have a very high powered Director-General, a very capable young man with a very capable team yet they have been allocated peanuts. They hardly have any money to meet any expenses. If you go to other countries that have an office like this, the resources that the nation puts aside for that office to coordinate all of us in Government and private sector to perform and deliver the vision is huge.

I look forward to a day when this Ministry can be given sufficient resources so that our Vision 2030 delivery secretariat becomes fully operational with appropriate staff and all that it takes to perform its functions.

Madam Temporary Deputy Speaker, a national bureau of statistics is a very key institution in any country. It is, in fact, the heartbeat for the country. The other things are secondary to it. You cannot allocate resources to anybody or any unit if you do not have the facts. We have had a very able Kenya National Bureau of Statistics (KNBS) over the years. It has international reputation and I know that for a fact. It has highly qualified people who are well trained. But you know, data processing is a problem. Let us give them resources. Let us support them!

With those few remarks, I beg to support.

**Mrs. Shabesh:** Thank you very much, Madam Temporary Deputy Speaker. I want to rise again to support the Vote for this Ministry. I want to start by congratulating the Minister and say, just in case people do not know, that we are still using the systems that he put in place at the Pan-African Parliament (PAP). He put in place financial systems at PAP that have made us, as Kenyans, proud. I know that many Kenyans do not know that and so, I thought it was important to say that. I think you were given the right Ministry because you had already proved yourself at PAP.

The issue of planning is well known to women. Women are always planning for one thing or the other. I feel that this Ministry has not been given its rightful

recognition in terms of putting in place the plans that this country needs to put in place, so that we can see some development. Let us speak about Vision 2030! It has become a song; everybody who wants to look like he or she knows politics will speak and then finish by saying: "If you want to achieve Vision 2030---" So, it has become a song. I really believe that we cannot give lip service to the development of this country any more, if we have a Ministry that has been set aside. A delivery secretariat has also been set with very good leadership. I can see Mr. Mugo Kibati here. It would be a shame that when we get to 2030 we will then be moving to 2050. So, I want to ask a question that one of my colleagues has asked. Mr. Minister, where are we on Vision 2030? Could we get reports in this House to know where exactly we are because all we hear is that we have this and that pillar and we are moving. But we do not know exactly where we are. We do not want it to be like the MDGs where we will be saying at the conclusion that we have not achieved them. So, please, give us some kind of indication as to where we are on Vision 2030.

Madam Temporary Deputy Speaker, I want to finish with one issue that I feel has really let down this Ministry. I want the Minister - because he is a person whose background I know--- We also come from the same political party and he is also my neighbour where I am married that---

*(Laughter)*

There is one issue that is going to really give you a bad legacy and I want you to get rid of it as quickly as possible. It is the issue of the census. We are not going to sugar-coat the issue of the census because, for many years, Kenyans knew that census results could be manipulated. Let us not fall into the trap where people can think that you are not releasing those results because of some kind of manipulation. It is true that some people have given birth in large numbers, like the Luhya where we come from. There is over-population. It is true. But it is also true that there are some people who never used to go through the census before and, therefore, maybe, their members are looking "expanded" because they never used to accept to be counted. All I am saying is that, at the end of the day, get to the root of the problem, but release the results because without the census results, it does not matter what you say. People will think you have failed in one major area and for me, that is the legacy I wanted you to leave.

As I conclude, I want to say that when you are planning for the Constituencies Development Fund (CDF) - because we have a new Constitution - please remember that there are nominated Members of Parliament in this House. We did not come to just talk on microphones and then go out and do nothing. We would like to become effective. If we are here fighting for issues of children rights, we would like to be allocated some money.

*(Applause)*

Please, do not fall into the trap of those who fear that we will use that money to vie for seats in their constituencies. That is because with or without that money, if we want to vie, we will still vie. What we want is to be effective and, therefore, if CDF is there, do not discriminate Members of Parliament in this House.

With those few remarks, I beg to support.

**The Assistant Minister, Ministry of State for Planning, National Development and Vision 2030** (Mr. Kenneth): Thank you, Madam Temporary

Deputy Speaker. I have tried to catch your eye many, many times, even in the previous Motions. I want to speak first as somebody who works in that Ministry and secondly, not just to support the Motion, but to thank hon. Members because of the concerns that they are showing about the Ministry. I have often said, and I will repeat it, that any country that wants to go anywhere must have its planning right, and that, that planning must be implemented. The point that comes in is that you get frustrated because you have very good plans, but you do not have funds to finance them. I know many of my colleagues have spoken about Vision 2030. But until this House and this Parliament votes money - because it is this House that allocates money for development - we might probably have to talk about Vision 2030 a little longer than we should. Therefore, I want to appeal to my colleagues that in as much as they are going to raise issues about the Ministry, they must take the deliberate step to ensure that there is deliberate participation by the House to ensure development votes are passed, especially for flagship projects.

If we want Vision 2030 to take off, we must ensure that the growth rate is not less than 10 per cent. Unless we spur the economy; unless we ensure the economy has flagship projects and it has a growth rate that is over 10 per cent, we might not be able to achieve Vision 2030. I know that the Minister will answer some of the issues that have been raised. But I stood in this House and assured hon. Members that on 31<sup>st</sup> August, 2010, the Minister will release the Census Report. I know that assurance was backed by what the Minister had said in the Ministry and we are within track to release it on that date.

*(Applause)*

The other issue that I had answered here concerned the enumerators. I hope that we have cleared with most of them. Issues were to do with banking and we will continue to assist those who could not have been sorted out. I am only saying that because I was on record on the Floor of the House when I was answering a Question on that as part of my parliamentary duties. But the point that I want to insist is that if this country is to develop, we must not only have very good plans but, as a House, we must vote money for those plans. If we do not vote, we will not be able to implement any project.

Madam Temporary Deputy Speaker, we had very good plans even on some of the bottlenecks of the economy. I want my colleagues to realize that those plans are there, but because there are no funds to implement those plans, we will not be able to sort out some of the bottlenecks. A good example that I have often spoken about here is on the roundabouts on Uhuru Highway. What should be done to ease off traffic to ensure that human resource hours are protected? Unless money is voted to the line Ministry - Ministry of Roads - to build flyovers so that we have Uhuru Highway as a highway where there is no stopping--- Unless money is voted for that, despite us having those plans, we are not in a position to implement anything. We are a planning Ministry and the point that I want to emphasize to colleagues is that we would also like to request them to play their role. They should understand the plans that the Ministry has. They should ensure that there is adequate allocation of the Budget to those plans.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Dr. Laboso): Mr. Mututho will be the last one before we call the Mover to respond. But he may donate some time to another hon. Member, if he so wishes.

**Mr. Mututho:** Madam Temporary Deputy Speaker, I rise to fully support this Ministry. It is this Ministry that brought the first development to Kenya. During those days of the Master Planner, Mr. Tom Mboya, if you remember, there was the 1 million acre scheme. If that scheme or programme had been expanded to 2 million acres, 3 million acres and so forth, we would not have the squatter problem that we have now. The hon. Minister knows too well that anything the Minister for Finance is doing, unless it is coherent, it can be as chaotic as somebody, who is not very sober; trying to spend money which is in the pocket. You need to look at the net gain in what you will do.

Madam Temporary Deputy Speaker, in talking of good plans this Ministry has come up with innovative ideas in the past. If you remember the District Focus for Rural Development Strategy was mismanaged not by this Ministry but by other forces. Had we carried on, this would fit in well with the proposed county system.

Madam Temporary Deputy Speaker, we need to support this Ministry so that they can be in charge of all the planning that we want to have. I can see our senior Minister in charge of internal security here. If people will expand Kayole, Dandora and other places and there are no ready plans, then there will be very high crime rate; the Minister in charge of internal security will be called upon to do things which could have been done in the first place. At the initial stage of planning we should have adequate police stations and roads that will enable the police move as fast as they can.

We have a problem now because from 1979 we have ignored, almost completely, that Ministry. The development of the Port of Mombasa was stolen by Dubai because they saw it was noble. The development of the highways was taken by Thailand; they took our proposed system. The list is endless.

In Habaswein we have enough water under surface to supply the city of Nairobi. If the Minister in charge of planning could come up with that, we would not have to import food. I know time is a constraint, and I want to support this Vote wholeheartedly, and recommend that this Ministry gets all that it needs in terms of manpower, consultancy and so on. This will ensure that anything this Government will do in the Ministry of Agriculture, the Ministry of medical Services or the Ministry in charge of Gender will be in line with plans.

I think your brother, whom you say is a very good friend of yours, the Deputy Prime Minister and Minister for Finance, should learn from where Tom Mboya left off; coherence between finance and planning is what will make this country develop. Vision 2030 can be achieved next year if we work together as one.

Thank you.

**The Minister of State for Provincial Administration and Internal Security** (Prof. Saitoti): Thank you, Madam Temporary Deputy Speaker. I am very happy to be able to make a contribution to this very important Ministry. This is an important Ministry because it is the Ministry that collects all the important statistical data regarding the economic development of this country; on annual basis, it is able to issue the economic review. That is an extremely important document, because it is normally the one that indicates what has happened as far as the development of this country is concerned

This particular Ministry is charged, first of all, with the responsibility of monitoring the development of the country. Even much more important, it is the one that formulates the nation's development strategy. In this case, I want to commend the Minister, his Ministry along with its team for the very able manner in which they have sharpened the Vision 2030. Vision 2030 is an extremely important strategy of how Kenya will look like in the year 2030. Although questions have been asked regarding



what it has been able to do, this vision does have quite a number of flagship projects. A number of them are already being implemented.

I have no doubt that another important thing that needs to be looked into is the fact that there is an important relation between economic development and the population growth. I am afraid to have to say that over a long period of time now we have kind of cast away monitoring of the population growth of this country. There was a time when we laid a lot of emphasis on---

**The Temporary Deputy Speaker** (Dr. Laboso): Your time is up, Mr. Minister.

**The Minister of State for Provincial Administration and Internal Security** (Prof. Saitoti): Thank you very much. I wish to support warmly and strongly this Vote. This is an important one.

**The Temporary Deputy Speaker** (Dr. Laboso): Mr. Minister, are you willing to donate two minutes to Mr. Ogingo?

**The Minister of State for Planning, National Development and Vision 2030** (Mr. Oparanya): Madam Temporary Deputy Speaker, he has insisted; so, I will donate two minutes to him.

**Mr. Ogingo**: Thank you, Madam Temporary Deputy Speaker. I had more kind words for you. It is unfortunate that we will have you for a maximum of two years, courtesy of the new Constitution.

I want to say that the Ministry of State for Planning, National Development and Vision 2030 is the brain and the eye of this nation. As far as development is concerned, we need to really give it adequate funding, so that we can have direction in this country.

The second thing I want to say is the credibility of the data. I must emphasise here that in the past we have seen information, or data, that gives us certain indications. Previously there was data that showed that Nyanza was very poor; that was before the CDF came. After CDF came Nyanza has now become very rich. There was a time when Kisumu had the highest prevalence rate of HIV/AIDS. After the funds came in it was elsewhere. This really undermines the credibility of the information that we get from the Kenya Bureau of Statistics. It is important that we have credible information.

Last but not least, this information, particularly in this era of the new Constitution, we really need real time information that is updated annually. I want to urge the Ministry to strive to see to it that this information is online, so that we can access it from anywhere.

I beg to support.

**The Temporary Deputy Speaker** (Dr. Laboso): I now call upon the Mover to reply.

**The Minister of State for Planning, National Development and Vision 2030** (Mr. Oparanya): Madam Temporary Deputy Speaker, I want to sincerely thank all hon. Members who have contributed to this Motion. Because of time, I will not be able to respond to most of the issues, but I hope to meet hon. Members personally to answer some of the concerns that they have raised.

The first issue that I need to stress is on the population census. The census last year was done very professionally. Those who participated in the 1999 Census actually appreciated that this last census was done very professionally. I did promise that the interim results would be released last December, but this could not happen. I did explain why it was not possible to release the results then. Let me assure hon.

Members that the census results for the last population census will be released on or before 31<sup>st</sup> August, this year.

I know that the issue of payment has been a problem. However, this has been addressed. In fact, I had a live programme on radio and I gave my personal number. Quite a number of people have called me and they have been able to be paid. Those who still have problems are free to call me. They are free to go to the Ministry or go to the Kenya National Bureau of Statistics to sort out the payments. Let me assure them that those who participated in the exercise, there is money to pay them.

On the Vision 2030 flagship projects, as pointed out by the Assistant Minister, Members should look critically at the development plan to see if enough funds are being allocated to flagship projects. I promise to table a report of the Vision 2030 flagship projects to show where we are. You will be able to judge if we are doing well or badly.

On the Millennium Development Goals (MDGs), we are now compiling a report that we will be presenting to the United Nations General Assembly in September. That report will detail where we are in terms of achieving the MDGs. I also promise that, that particular report that we will be issuing at the United Nations General Assembly, I will also table it in this House, so that Members can know where we are.

Madam Temporary Deputy Speaker, on CDF poverty index raised by my colleague, this has been an issue. But once the Government figures are published, they become official figures. Therefore, I can stand here to say that the figures of the 2006 poverty index were wrong. In fact, we requested the Treasury to give us Kshs500 million, so that we carry out another poverty index figures for 2010. But unfortunately, this has not happened. So, it is up to Members to support us on this issue, so that we get Kshs500 million to ensure that the new figures are obtained. These figures are supposed to come out every five years. So, the last ones were there in 2005/2006. So, the new ones should be there 2010/2011.

On *Kazi Kwa Vijana* Programme, a Member mentioned that we are actually supposed to be in charge of this particular programme. Let me assure you that this programme is under the Office of the Prime Minister and we are part of that office. But what we are doing as a Ministry is to ensure that there is proper co-ordination. Of course, there were challenges at the beginning. I am hopeful that as soon as we resume and we are going to resume this programme soon, those challenges will have been addressed.

I appreciate the kind words from Madam Shabesh about the Pan African Parliament. It is good that there are few people who can appreciate what others do. However, the Ministry still faces a number of challenges which we have detailed in our report. I am hopeful that come the next Supplementary Estimates the Ministry will be considered favourably, so that we are able to carry out our mandate without much problems. I am happy to note that the Deputy Prime Minister and Minister for Finance said that we co-operate with them because we are the ones who come up with the plans that will make this country very successful by the year 2030. Unless we co-operate and money is put at the right place, it will be just a dream for us to achieve the Vision 2030.

A Member raised the issue of South Nyanza and Central Kenyan Projects; that these projects would have been spread all over the country. These projects started in the year 2001. They are donor funded through International Fund for Agricultural Development (IFAD). The donors themselves selected the areas that they were going to take this money. So, at that time, they selected South Nyanza because they thought

this had high poverty index and also high rate of HIV/AIDS. They also selected dry areas of Central Kenya.

This programme has been going on but unfortunately, it will end next year. We hope to request the donors to extend it for the benefit of Kenya.

On the quick win, there is a clear criteria and I have said that there is Kshs87 billion. If you visit my Office, you will be told what criteria is used.

Madam Temporary Deputy Speaker, I can see my time is over.

With those few remarks, I beg to move.

*(Question put and agreed to)*

*[The Temporary Deputy Speaker  
(Dr. Laboso) left the Chair]*

IN THE COMMITTEE

*[The Temporary Deputy Chairperson  
(Mrs. Odhiambo-Mabona) took the Chair]*

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

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta):  
Madam Temporary Deputy Chairperson, I beg to move:-

THAT a sum not exceeding Kshs26,835,778,600 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30<sup>th</sup> June, 2011 in respect of:-

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

**Mr. Gunda:** On a point of order, Madam Temporary Deputy Chairperson. The figure in the Order Paper is different from what the Deputy Prime Minister and Minister for Finance has read out. I was wondering whether we are on the same page.

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta):  
Madam Temporary Deputy Chairperson, the figure is Kshs26,835,778,600.

**The Temporary Deputy Chairperson** (Mrs. Odhiambo-Mabona): Mr. Gunda, is that okay?

**Mr. Gunda:** Madam Temporary Deputy Chairperson, if the figure on the Order Paper is Kshs26,035,778,600 and the Deputy Prime Minister is moving another figure, which one do we go for?

**The Temporary Deputy Chairperson** (Mrs. Odhiambo-Mabona): The Minister has just clarified that “as per the Order Paper.”

**Mr. Gunda:** Madam Temporary Deputy Chairperson, which Order Paper?

**The Temporary Deputy Chairperson** (Mrs. Odhiambo-Mabona): Could I, please, then just direct that the Minister moves the Motion again? Please, can we start again?

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta):  
Madam Temporary Deputy Chairperson, the figure as per the Order Paper is Kshs26,035,778,600.

*(Question proposed)*

VOTE R07 – RECURRENT EXPENDITURE

SUB-VOTE 070 – GENERAL ADMINISTRATION AND PLANNING

*(Head 135 agreed to)*

*(Sub-Vote 070 agreed to)*

SUB-VOTE 071 – FINANCIAL SERVICES

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

*(Sub-Vote 071 agreed to)*

**Mr. Ethuro:** On a point of order, Madam Temporary Deputy Chairperson. I am just seeking a clarification. Are we on Recurrent Expenditure?

**The Temporary Deputy Chairperson** (Mrs. Odhiambo-Mabona): Yes.

SUB-VOTE 075 – CENTRALIZED SERVICES

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

*(Sub-Vote 075 agreed to)*

SUB-VOTE 076 – GOVERNMENT INVESTMENT

*(Heads 164 and 943 agreed to)*

*(Sub-Vote 076 agreed to)*

SUB-VOTE 077 – INVESTMENT REGULATORY SERVICES

*(Head 165 agreed to)*

*(Sub-Vote 077 agreed to)*

*(Vote R07 agreed to)*

VOTE DO7 – DEVELOPMENT EXPENDITURE

SUB-VOTE 070 – GENERAL ADMINISTRATION AND PLANNING

*Head 135 – Headquarters Administrative Services*

**Mr. Ethuro:** Madam Temporary Deputy Chairperson, I just wanted to have the indication from the Deputy Prime Minister and Minister for Finance on the same Head, Item No.2210700 - Training Expenses. They have increased it from Kshs34.4 million to Kshs159.9 million. It seems training will continue for the next two years.

What is the basis for this? Why would training expenses be part of a Development Vote?

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Madam Temporary Deputy Chairperson, could the hon. Member repeat his question?

**Mr. Ethuro:** Madam Temporary Deputy Chairperson, under Head 135 – Headquarters Administrative Services, Item No.2210700 - Training Expenses, last year, it was Kshs34.4 million and this year it is Kshs158.9 million and the same trend is projected for the next two years. I am just wondering why there is such a big jump. Why should training expenses be part of a Development Vote?

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Madam Temporary Deputy Chairperson, this is training for new devolved entities. It will be necessary over the next two years and it will expand as we establish those entities.

**Mr. M’Mithiaru:** On a point of information, Madam Temporary Deputy Chairperson.

**The Temporary Deputy Chairperson** (Mrs. Odhiambo-Mabona): Mr. Deputy Prime Minister and Minister for Finance, do you want to be informed?

**Mr. M’Mithiaru:** Madam, Temporary Deputy Chairperson—

**The Temporary Deputy Chairperson** (Mrs. Odhiambo-Mabona): I have not got from the Deputy Prime and Minister for Finance whether he wants to be informed.

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): It is okay.

**Mr. M’Mithiaru:** Madam Temporary Deputy Chairperson, we went through that item as the Committee on Finance, Planning and Trade and we are satisfied with the explanation. It is training, but it is more or less on the investment of that training.

**Mr. Njuguna:** Madam Temporary Deputy Chairperson, I want to make one quick observation. I commend, very highly, the Deputy Prime Minister and Minister for Finance for getting involved---

**The Temporary Deputy Chairperson** (Mrs. Odhiambo-Mabona): Mr. Njuguna, I am sorry but you cannot debate during Committee Stage, unless you are raising queries on that Vote Head.

*(Head 135 agreed to)*

*(Sub-Vote 070 agreed to)*

SUB-VOTE 071 – FINANCIAL SERVICES

*(Heads 136, 137, and 138 agreed to)*

*(Sub-Vote 071 agreed to)*

SUB-VOTE 075 – CENTRALIZED SERVICES

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

*(Sub-Vote 075 agreed to)*

SUB-VOTE 076 – GOVERNMENT INVESTMENT

*(Head 164 agreed to)*

*(Sub-Vote 076 agreed to)*

SUB-VOTE 077 - INVESTMENT REGULATORY SERVICES

*(Head 165 agreed to)*

*(Sub-Vote 077 agreed to)*

*(Vote D07 agreed to)*

*(Question put and agreed to)*

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

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

THAT a sum not exceeding Kshs9,319,937,660 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30<sup>th</sup> June, 2011 in respect of:-

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

*(Question proposed)*

VOTE R06 - RECURRENT EXPENDITURE

SUB-VOTE 060 – GENERAL ADMINISTRATION AND PLANNING

*(Head 527 agreed to)*

*(Sub-Vote 060 agreed to)*

SUB-VOTE 061 – PLANNING AND DEVELOPMENT SERVICES

*(Heads 204, 207, 208, 211, 212, 218, 220, 221,  
222, 242, 249 and 758 agreed to)*

*(Sub-Vote 061 agreed to)*

SUB-VOTE 062 – STATISTICAL SERVICES

*(Head 214 agreed to)*

*(Sub-Vote 062 agreed to)*

*(Vote R06 agreed to)*

VOTE D06 - DEVELOPMENT EXPENDITURE

SUB-VOTE 060 – GENERAL ADMINISTRATION AND PLANNING

*Head 527 – Headquarters Administrative Services*

**Mr. Ethuro:** Madam Temporary Deputy Chairperson, on Head 527, Item 2630200, the allocation for this year is Kshs14.353 billion and for next year it is Kshs15.847 billion. What is the basis for the calculation because this is the grant that is supposed to go to the Constituencies Development Fund it should not be less than 2.5 per cent? This means it should be more than 2.5 per cent.

**The Minister of State for Planning, National Development and Vision 2030** (Mr. Oparanya): Madam Temporary Deputy Chairperson, this issue has been raised by the Chairman of the CDF Committee and it is under consideration by the Deputy Prime Minister and Minister for Finance.

*(Head 527 agreed to)*

*(Sub-Vote 060 agreed to)*

SUB-VOTE 061 – PLANNING AND DEVELOPMENT SERVICES

*(Heads 206, 207, 208, 211, 212, 218, 220, 221, 222, 242, 249, 614 and 758 agreed to)*

*(Sub-Vote 061 agreed to)*

SUB-VOTE 062 – STATISTICAL SERVICES

*(Head 214 agreed to)*

*(Sub-Vote 062 agreed to)*

*(Vote D07 agreed to)*

*(Question put and agreed to)*

*(Resolutions to be reported  
without amendments)*

*(The House resumed)*

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

**REPORTS**

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

**Mrs. Odhiambo-Mabona:** Mr. Temporary Deputy Speaker, Sir, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs26,035,778,600 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30<sup>th</sup> June, 2011, in respect of Vote 07 – Office of the Deputy Prime Minister and Ministry of Finance and has approved the same without amendment.

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Mr. Temporary Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution.

**The Minister for Education** (Prof. Ongeru) seconded.

*(Question proposed)*

**Mr. Njuguna:** Mr. Temporary Deputy Speaker, Sir, I take this opportunity to very highly commend the Deputy Prime Minister and Minister for Finance for releasing Kshs2 billion for the university staff salary increment, thus averting a very serious crisis in this nation.

Thank you.

**Ethuro:** Mr. Temporary Deputy Speaker, Sir, in spite of the many issues that we have, I really want to thank the Deputy Prime Minister and Minister for Finance because he is doing really well and he can do better.

*(Question put and agreed to)*

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

**Mrs. Odhiambo-Mabona:** Mr. Temporary Deputy Speaker, Sir, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs9,319,937,660 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30<sup>th</sup> June, 2011 in respect of Vote 06 – Ministry of State for Planning, National Development and Vision 2030 and has approved the same without amendment.

**The Minister of State for Planning, National Development and Vision 2030** (Mr. Oparanya): Mr. Temporary Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution.

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta) seconded.

*(Question proposed)*

**Mrs. Shabesh:** Mr. Temporary Deputy Speaker, Sir, I would also like to congratulate the Minister and his officers. I would also like to tell them that we support them in the Vision 2030 and the realization of the same for the good of this country.

**Mr. Ethuro:** Mr. Temporary Deputy Speaker, Sir, I will be failing in my duties if I do not congratulate the Minister for working under difficult circumstances and taking us forward on Vision 2030. The theme of the Population Day this year is: “Everybody counts”. Each and every Kenyan counts.



*(Question put and agreed to)*

**ADJOURNMENT**

**The Temporary Deputy Speaker** (Prof. Kaloki): Hon. Members, there being no other business, the House stands adjourned until next Tuesday, 24<sup>th</sup> August, 2010 at 2.30 p.m.

The House rose at 6.45 p.m.