

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 18th June, 2008

The House met at 9.00 a.m.

*[Mr. Speaker in the Chair]*

PRAYERS

### QUESTION BY PRIVATE NOTICE

PLIGHT OF IDPS IN  
MANDERA EAST DISTRICT

**(Mr. M.H. Ali)** to ask the Minister of State for Special Programmes:-

(a) Is the Minister aware that there are over 3,000 displaced families in Mandera East District, including children, who are living without food and other necessary facilities?

(b) What urgent measures will the Minister take to save them from disease and imminent death as a result of starvation?

**Mr. Speaker:** Mr. Mohammed Hussein Ali is not here? The Question is dropped!

*(Question dropped)*

Next Question!

### ORAL ANSWERS TO QUESTIONS

*Question No.029*

MEASURES TO IMPROVE FOOD  
SECURITY IN KENYA

**Mr. Speaker:** Mr. Ethuro also not here? The Question is dropped!

*(Question dropped)*

Next Question!

*Question No.040*

MISAPPROPRIATION OF RUCHU  
GIRLS SECONDARY SCHOOL FUNDS

**Mr. M. Kamau** asked the Minister for Education:-

- (a) whether he is aware that over Kshs12 million for Ruchu Girls Secondary School in Kandara, Murang'a South District, was misappropriated in the last one year; and,  
(b) what urgent measures he is taking to ensure that the culprits are apprehended and the funds recovered.

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

The Ministry carried out an inspection of the school on 6th and 7th February, 2008. The inspection exercise established that the school owed its creditors Kshs12,500,881.50, some of which date back to the year 2005.

Pending investigations, severe disciplinary action has been taken against the former Principal of Ruchu Girls Secondary School under whose administration the malpractices occurred.

Thank you, Mr. Speaker, Sir.

**Mr. M. Kamau:** Mr. Speaker, Sir, I thank the Assistant Minister for trying to answer the Question. But I do not think what he is telling us is true. I think he is misleading the House because the lady in question, who was the principal of that school, was transferred to another school in Nyeri. So, I do not understand him when he says that some measures were taken. What exact measures did the Minister take? Could he explain to the House?

**Prof. Olweny:** Thank you, Mr. Speaker, Sir. It is true that the Principal was transferred to another school. But as we speak now, the principal has been interdicted and I am going to lay the interdiction letter on the Table here and, at the same time, there is a preliminary report of the investigations that were done. In the meantime, proper auditing of the books of account of that school is going to be done and from that audit report, further action will be taken by the Ministry and the Board of Governors of the school.

Mr. Speaker, Sir, I beg to lay on the Table the interdiction letter and the preliminary audit report regarding the school.

*(Prof. Olweny laid the documents  
on the Table)*

**Mr. Imanyara:** Thank you, Mr. Speaker, Sir. Given the practice of Government Departments of transferring public servants--- That does not only happen in the Ministry of Education. It also happens in the Provincial Administration and the police force. Whenever there is misconduct on the part of the officer in charge of a particular institution, the first major step that is taken is to transfer that officer to another institution, where the same officer repeats what led to the interdiction or transfer in the first place.

Mr. Speaker, Sir, could the Assistant Minister assure this House that the practice of transferring departmental heads or accountable officers to other institutions is going to be stopped so that we do not have problems being multiplied to various institutions in the country?

Mr. Speaker, Sir, could the Assistant Minister also tell us whether that particular principal was interdicted as a result of similar conduct in the school where she was transferred?

**Prof. Olweny:** Mr. Speaker, Sir, the interdiction letter relates to what happened in the school. So, that Principal was interdicted because of what happened in the school during her time as the head of the school.

But, Mr. Speaker, Sir, with regard to interdictions of other Government officers, if there are allegations about the performance of any Government officer, the appropriate Ministry will take action. It does not apply to the Ministry of Education only. As far as I know, there have been similar cases where the affected officers have always been interdicted. After that, a proper and detailed auditing is done and further appropriate action is taken.

Thank you, Mr. Speaker, Sir.

**Mr. Mureithi:** Thank you very much, Mr. Speaker, Sir. One of the problems the Assistant Minister has not addressed with respect to the interdiction of the principal is that all the secondary schools have Boards of Governors. I do not see how a principal can single-handedly create such a big debt of over Kshs12 million. What action has he taken against the Board of Governors or members of the Board, including probably the business people who have colluded with the principal?

Thank you.

**Prof. Olweny:** Mr. Speaker, Sir, the principals are actually Chief Executive Officers of their respective institutions. In case there is a problem, we go for the Chief Executive Officer first, who is actually the Accounting Officer when it comes to money and use of any other funds in the institution. But, as of now, as I have already said, there is going to be a detailed auditing of the books of account of that school. If there is any other person involved in the misappropriation of the funds of that school, action will be taken against such people, be they members of the Board of Governors, teachers or whoever they are.

Thank you.

**Mr. Speaker:** Ask your last question, Mr. Kamau!

**Mr. M. Kamau:** Mr. Speaker, Sir, I am satisfied with the answer, but we should be given a timeframe within which these investigations will be completed. This is because, as we speak, I am told that this principal has been transferred to a school in Nyeri called Rware Secondary School. That is supposed to be a safer ground for her. I am not sure whether she has been interdicted but we can find out.

Thank you very much.

**Prof. Olweny:** Mr. Speaker, Sir, I have told the hon. Member that the interdiction letter from the Ministry of Education is there for his perusal. With regard to the timeframe for further action to be taken, once the audit is completed, and it has to be done thoroughly, and it will be done as soon as possible, action will be taken. So, the hon. Member should not have worries.

**Mr. Speaker:** Next Question, Dr. Kones!

*Question No.041*

PLANTING OF EUCALYPTUS TREES  
BY NYAYO TEA ZONES IN KONON

**Mr. Speaker:** Dr. Kones not here? The Question is dropped!

*(Question dropped)*

**POINT OF ORDER**

THE CHAIR SHOULD RECONSIDER RULING  
ON DROPPING OF QUESTIONS

**Mr. Imanyara:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** What is it, Mr. Imanyara?

**Mr. Imanyara:** Mr. Speaker, Sir, I appreciate your ruling about dropping the Questions. But given that there may be very grave reasons for that absence of the Members, could you consider using your discretion to defer this Question rather than drop it so that Members can get the

opportunity to raise issues considering the fact that there is no similar provision with regard to Ministers who fail to come and answer Questions?

**The Assistant Minister for Agriculture** (Mr. Ndambuki): On a point of order, Mr. Speaker, Sir. When Ministers are not in the House to answer Questions, they are reprimanded. But when hon. Members who are supposed to ask Questions, do not come, nothing happens apart from just dropping their Questions. So, we would like the same standards to be applied on both sides. So, if you have decided to drop the Question, let be it!

**Mr. Ethuro:** On a point of order, Mr. Speaker, Sir. The practice in the House has been that you do the first round and then the second round. That is when you can drop the Questions. My Question is a case in point. It was just dropped when I was about to enter the Chamber and here I am! I plead with the Chair to reconsider that issue of dropping of Questions.

Thank you!

**Mr. C. Kilonzo:** Mr. Speaker, Sir, I think one of the reasons why we have this problem is that the Order Paper sometimes comes out as late as 10.00 a.m. and Members cannot know what Questions were to come today. So, I wish to suggest that, if it is possible, the Order Paper be ready by 6.00 a.m. of the following day.

**Mr. Koech:** On a point of order, Mr. Speaker, Sir.

### CONSIDERED RULING

ALL QUESTIONS WILL BE CALLED OUT  
AT THE COMMENCEMENT OF THE SITTING

**Mr. Speaker:** Order, hon. Members! This House is bound, as you all know, to follow its practices and traditions. From the Ninth Parliament, and this is on record, it was resolved and directed by the Chair that all Questions would be called out promptly beginning from the time that the House begins to sit. In this case, the House started at 9.00 a.m., which is the time that Parliament itself has set. Until that is changed, we will have to comply with the timing.

With regard to the point made by Mr. C. Kilonzo, with all due respect, the Order Paper for today, for example, could not have been available at 10.00 a.m. because we started business at 9.00 a.m. I can see that all of us are equipped with the Order Paper. So, that is not valid.

With regard to the point raised by my good friend, hon. Imanyara, yes, there may very well be grave reasons why a Member is not here. But as long as those grave reasons are not known to the Chair, the Chair remains a stranger. He is not privy to the information. I, therefore, order that we proceed. The ruling so far made will stand. If there is sufficient explanation to warrant reinstating any of the Questions, if I become aware of the grave reasons, and indeed, we decide that they are grave, we may consider reinstating some of those Questions.

Next Question, Mr. Lessonet.

*(Resumption Of Oral Answers  
to Questions)*

*Question No.067*

HARMONIZATION OF SALARY DISPARITIES  
IN DISCIPLINED FORCES

**Mr. Speaker:** Mr. Lessonet also not here?

The Question is dropped!

*(Question dropped)*

*Question No.060*

STALLING OF SUBA DISTRICT  
HEADQUARTERS PROJECT

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

(a) whether he could confirm that the headquarters of Suba District has been gazetted to be at Gingo;

(b) why the construction work at Gingo stalled, yet the Government is putting up more offices at Mbita, which is not the district headquarters; and,

(c) when the Government plans to commence construction of the district headquarters at Gingo

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

(a) We do not gazette district headquarters but only gazette proposals to establish a district. But it is true that Gingo is the district headquarters for Suba District.

(b) The construction work for the district headquarters at Gingo has not stalled: One, the land on which the district headquarters will be situated is currently being surveyed. Two, compensation exercise for those who will pave way for the land on which the headquarters will be situated is still going on. The offices being put up Mbita are for contingency use and we will revert back to Mbita Divisional Headquarters.

(c) The construction of the District Headquarters at Gingo will commence once the two issues raised above get accomplished.

Thank you.

**Mr. Mbadi:** Thank you, Mr. Speaker, Sir. I appreciate the answers given by the Assistant Minister, who I really respect so much. But allow me to say that the Assistant Minister has not done enough research on this Question. Why do I say this? First, the Assistant Minister says that the survey of the land on which the district headquarters is supposed to be situated is still going on and yet, I am aware that the District Commissioner's house is under construction on the same land. So, if the land is being surveyed, why is there part of the construction going on? I think the issue the land being surveyed is not correct. For how long will the survey take place? I am asking this question because the district was born in 1990 and the construction work started immediately thereafter. The construction of the District Commissioner's house stalled in 1995. Todate, the survey work is still going on. How long does the survey work take?

**Mr. Speaker:** Mr. Mbadi, please, ask your question!

**Mr. Lesrima:** Mr. Speaker, Sir, surveying has also been the cause of delay. The District Commissioner's house is being constructed but work is not yet complete. Compensation has also been paid out to 296 land owners with 34 land owners still waiting to be paid. However, that is not the major reason. The major reason has been lack of resources and that has been the cause of delay in construction of the district headquarters.

Mr. Speaker, Sir, with regard to the stalling of the District Commissioner's residence, Kshs2.5 million was allocated in the last financial year, and the Ministry of Public Works will revive the exercise of completing the District Commissioner's house so that the District

Commissioner moves from Mbita to Gingo as soon as the house is complete.

**Mr. Imanyara:** Mr. Speaker, Sir, part of the reason why issues like districts with no district headquarters, or districts being named and then causing infighting among the residents of the area regarding the location of the headquarters arise, is because the Government uses the creation of new districts as a political tool, and instead of carrying out preliminary studies, identifying the proposed headquarters and finding the funding necessary, they first announce the creation of a new district and then create problems on the ground.

Could the Assistant Minister tell us whether in future and to avoid this kind of confusion, there will be policy consideration that first identifies the source of funds, the headquarters location and when the construction work will start before announcing the creation of a new district, so that we do not have these kinds of problems arising countrywide?

**Mr. Lesrima:** Mr. Speaker, Sir, first of all, I want to deny that there are political districts. I think the creation of a number of districts has been as a result of requests by Kenyans since 1993. So far, 100 districts have been created. However, I share your view that consultation is necessary in terms of planning. However, we expect leaders from various districts to come together and agree with the Government on the central locations where we can have district headquarters so as to serve the districts. For the current districts, some resources have been provided this financial year to facilitate the establishment of offices for district administrators in the newly-created districts.

**Mr. Mbadi:** Mr. Speaker, Sir, the Assistant Minister is talking about lack of resources. If there are no resources to construct offices at Gingo, where is the Government getting resources to continue building offices at Mbita? Secondly---

**Mr. Speaker:** Order! Mr. Mbadi, you are only supposed to ask one question every time you catch the Speaker's eye.

**Mr. Mbadi:** Mr. Speaker, Sir, I thought this was my last chance so I wanted to make all my points.

**Mr. Speaker:** One question at any given time!

**Mr. Mbadi:** Thank you, Mr. Speaker, Sir. However, allow me to mention one word. I am begging for your protection.

**Mr. Speaker:** Order, Mr. Mbadi! The position is that every time you catch the Speaker's eye, during Question Time, you ask one question. We have allowed you liberty in the past because you were still new. However, you will now have to learn how to comply with the rules as they are. You have asked two questions already. Indulging you to ask a third question is not right. You are not seeking my protection. You are seeking the Chair's accommodation. Mr. Lesrima, could you answer?

**Mr. Lesrima:** Mr. Speaker, Sir, as you may realise, Mbita District, currently, has two constituencies. One is Mbita and the other is Gwassi, where the hon. Member comes from. I think the hon. Member should appreciate the fact that Gingo, which is located in his constituency, is going to be the headquarters of Suba and not Mbita. So, it is not appropriate---

**Mr. Mbadi:** Mr. Speaker, Sir, is it in order for the Assistant Minister to imply that I should appreciate? The district headquarters location was agreed upon by all the residents of the two constituencies. Therefore, it was not a token to my constituency. Gingo is the central place of Suba District. Mbita is skewed on one side. It does not serve the residents of the two constituencies well.

**Mr. Speaker:** Order, Mr. Mbadi! That was not a point of order! You were arguing! It was a matter of argument which does not fall within the purview of a point of order. Please, note that!

**Mr. Lesrima:** Mr. Speaker, Sir, I had earlier on said that we will continue to develop Mbita Divisional Headquarters where the District Commissioner is currently located. The District Commissioner will move 10 kilometres away to Gingo, the new headquarters. Resources have been allocated not just for Gingo District Headquarters this financial year, but an amount of

Kshs771,711,979 has been set aside for the construction of various district headquarters. I want to assure the hon. Member that the District Commissioner will move to Gingo as soon as his residence, which is being constructed, is ready. I want to assure you that Gingo is the new district headquarters of Suba District. We will continue to develop divisional headquarters such as Mbita. None takes resources from the other.

*Question No.092*

SHORTAGE OF WATER IN MATUU TOWN

**Mr. C. Kilonzo** asked the Minister for Water and Irrigation:-

- (a) whether she is aware that Matuu Town and the environs are experiencing serious water shortage;
- (b) what the Ministry is doing to ensure the water problem is solved;
- (c) if she is further aware that the town has no sewerage system; and,
- (d) what she is doing to have one for the town.

**The Assistant Minister for Water and Irrigation** (Mr. Kiunjuri): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Matuu Town is experiencing water shortage caused by low flows from the Yatta Canal whose source is Thika River. The low water situation at the intake to Matuu Water Supply is caused by dry weather conditions, siltation of the canal and increased consumption by upstream water consumers especially the irrigation farmers. However, with the construction of the Yatta Dam, the problem will end. Meanwhile, the Ministry wishes to advise the residents living along the canal to give priority to water for domestic use before obstructing water for irrigation.

(b) My Ministry, through the Water Resource Management Authority and Matuu Water and Sewerage Company, has increased surveillance of the Yatta Canal to ensure proper and equitable utilisation of this scarce resource. My Ministry will rehabilitate two water storage reservoirs situated next to Matuu Town to store canal water during the rainy season for to use during the dry season when the flows are over.

(c) I am aware that Matuu Town has no sewerage system.

(d) Due to budgetary constraints, construction of sewerage systems for towns in the country is based on a criteria which takes into account the population of the town to be served and the quality of waste water generated with regard to the capacity of the water supply to the town. Construction of sewerage system for Matuu Town is being considered based on this criteria.

**Mr. C. Kilonzo:** Mr. Speaker, Sir, Yatta Canal is 60 kilometres long. It is, perhaps, the longest canal in the country. When Ms. Martha Karua was in charge of the Ministry of Water and Irrigation, she was able to solve the problem at that time. For a period of three years, we have had no water shortage in the town. But God only knows what happened when she left the Ministry. Could the Assistant Minister inform the House when Yatta Dam will be constructed? Has his Ministry provided any money for its construction in this Budget?

**Mr. Kiunjuri:** Mr. Speaker, Sir, for the construction of the Yatta Dam to start, we had to carry out feasibility studies which are already complete. Now, we want to do the detailed design of the said dam before we do the actual cost estimates for it to be allocated money.

**Mr. Kioni:** Mr. Speaker, Sir, one of the obvious things that come with any dry spell is the outbreak of wild fires. On many occasions, these fires affect water sources in this country mainly the forests. What preparedness measures is the Ministry putting in place to curb any such fire outbreaks, especially within the water sources of this country?

**Mr. Kiunjuri:** Mr. Speaker, Sir, that question falls under the Ministry of Forestry and

Wildlife. The Ministry of Water and Irrigation can only assist. Now that we have water upstream, that question can only be better answered by the Minister for Forestry and Wildlife.

**Mr. C. Kilonzo:** Mr. Speaker, Sir, the proposal by the Assistant Minister to rehabilitate two water storage reservoirs will not be able to solve the problem for the town. These reservoirs are only able to supply water for a minimum period of two weeks and a maximum period of three weeks during the dry spell. Could he ensure that his Ministry considers expanding Munina Dam, which is at the outskirts of the town, and which has more capacity to store enough water, so that this problem of water shortage is temporarily catered for as we wait for the construction of this dam?

**Mr. Kiunjuri:** Mr. Speaker, Sir, apart from rehabilitating these dams, we are also expanding them because we know their carrying capacity. We are making sure that they provide water to the town for at least a period of between three and six months. We shall also ensure that those dams will not be small in size, but big enough to store water for more than three months.

**Mr. Speaker:** Next Order!

### POINTS OF ORDER

#### AWARD OF CONTRACT TO DE LA RUE

**Dr. Khalwale:** On a point of order, Mr. Speaker, Sir. Before we move on to the next Order, I beg you to allow me to request a Ministerial Statement from the Minister for Finance in respect of a contract that was awarded to De La Rue for supply of new generation Kenya currency notes. The urgency of this matter is because the company continues to print--

**Mr. Speaker:** Order, Dr. Khalwale! I appreciate your very pertinent matter that you are raising, but unfortunately, you have been overtaken by events in the sense that the next Order has already been called. So, you will have to hold your horse and do it this afternoon.

#### DELAY IN COMMENCEMENT OF BUSINESS

**Mr. C. Kilonzo:** On a point of order, Mr. Speaker, Sir. The Order Paper says that the commencement of business on the Committee of Ways and Means shall not be later than 9.30 a.m. Therefore, I wish to ask you to rule that the House sits until exactly 12.36 p.m.

### COMMUNICATION FROM THE CHAIR

#### EXTENSION OF SITTING TIME

**Mr. Speaker:** Hon, Members, given that the next Order was called at 9.33 a.m., we shall add three minutes to our time. So, we will, therefore, continue until 12.33 p.m.

### COMMITTEE OF WAYS AND MEANS

*(Order for Committee read)*

### MOTION

THAT MR. SPEAKER DO NOW  
LEAVE THE CHAIR

*(The Minister for Finance on 12.6.2008)*

*(Resumption of Debate  
interrupted on 17.6.2008)*

*(First Day of Budget Debate)*

Anybody interested to contribute?

**Mr. Koech:** Yes, Mr. Speaker, Sir.

**Mr. Speaker:** Proceed, Mr. Koech!

**Mr. Koech:** Thank you, Mr. Speaker, Sir, for giving me this opportunity. Yesterday, business was interrupted when I had just taken the Floor to contribute to the Budget Speech.

Mr. Speaker, Sir, it should go on record that the interruption yesterday was mainly because we lost our colleagues and there were several meetings going on. Some meetings were being conducted in Harambee House. As a result of those meetings, many hon. Members were not able to be in the House. Today, it is also worth noting that most Questions were dropped basically because the House is not yet really in the mood to conduct its business because of our departed colleagues. Last week, I remember you made a ruling that if it were not because of the Budget Speech, we would have actually had an extension of the adjournment.

Mr. Speaker, Sir, I would, on a very sincere note, thank the Minister for Finance for giving us a Budget that reflects what we want as a country. There is need for us, as a country, to restore the economy back on a higher growth path. He tried to be as balanced as possible. We, as a country discussing a Budget of over Kshs500 billion, should be in a position to ensure that we take a path that will make us become self-sustaining and self-sufficient.

Mr. Speaker, Sir, with that in mind, I would like to note that there is a need for us, as a country, to address the following issues. There is need for a Budget Office in this country. This office is long overdue. I believe it will be able to address the regional inequalities and imbalances as regards the usage of money allocate to various Ministries. At the moment, it is unfortunate that the development in this country is at the mercy of who-is-who in this country. In some areas, development depends on the Minister in charge of that Ministry. For example, we see many development in areas where the Ministers come from.

The Members of Parliament have also been left at the mercy of who is your friend in the Ministries, so that there could be development in their respective areas. There is a need for a Budget Office to ensure that the money allocated to every Ministry reaches every corner of this country because we want to develop as one country and nation.

Mr. Speaker, Sir, on the Constituencies Development Fund (CDF), we appreciate its introduction in this country. As a result CDF, there has been speedy development at the constituency levels of this country. Many schools and health centres have been built. This is a gesture to show that if we move in that direction, this country will be able to go very far in terms of development. We are aware that we are a Grand Coalition Government, especially with regard to devolution of resources to the local level. I would have wished to see a situation where the Minister for Finance thought very critically on the need to increase the Constituencies Development Fund (CDF) money, because that is the only money we are sure that it reaches the grassroots.

Mr. Speaker, Sir, the youth of this country are a very important group. They are the majority and are the future leadership of this country. I would like to appreciate the Kshs250 million which was allocated to youth empowerment centres. I would also like to comment the Minister for increasing the Youth Enterprise Development Fund by Kshs500,000. I would also like

to appreciate the Kshs465 million given for free tuition in accredited technical training and vocational colleges. The Minister showed concern that the youth need to be absorbed into employment. We would like to see the Government practising what it says. As a country, we have a culture where we keep on giving contracts to those whose time has expired. We keep on having civil servants who have stayed beyond retirement age. These are people who have already invested, and have some resources. It is unfortunate that we keep them at the cost of the youth, who are yet to even earn a shilling. There is need to address this anomaly.

The Kshs1 million given for soccer in constituencies is a very good gesture. That will go along way in building soccer in our country. We have seen that people in Kenya really love soccer. Unfortunately, they are being directed to the game outside Kenya. We would like to bring them back to love the game in the country. Therefore, there is need for more allocation of funds to soccer in this country. We would like to see the Government employing soccer players on a permanent basis as happens in European countries. Athletes have brought a lot of good to this country in terms of development and building our name. I would like to see more funds being allocated to the athletes, who are developing at the grassroots. At the moment, most of them practise on bare feet. Those who are lucky not to injure themselves end up being the world champions. Therefore, there is need to address the issues of athletes' needs.

Mr. Speaker, Sir, the money allocated to the National Security Intelligence Service (NSIS), Kshs8 billion, is too much. This is a group of people who have failed this country. What happened last year in this country, if they were on duty and working, we would have avoided it. Much of this money seems to be going to campaigns. There is no need to put a lot of money in things which assist in campaigns. There is need to redirect that money to youth programmes.

Regarding education, I would like to sincerely thank the Minister for allocating more money to free primary and free secondary education. It is a pity that having allocated money to the free secondary education, the implementation of the same has been wanting. It is so painful to note that schools have been running without money, and, as a result, you realise that so many schools have gone on strike. When we allocate money, there is need for that money to reach the schools in time. Due to the conditions given, there are many schools which have not benefitted today in the villages. Schools, where the children of the really poor, whom we thought we were targeting, are yet to benefit from this money. There is need to expedite release of this money, and ensure that the schools are stabilised within the shortest time possible.

The quality of education in those schools is also very important to note. We are spending over Kshs117 billion on education. Having children in school who do not have enough teachers is bad. It is more of wasting money where we know we may not reap fruits within the shortest time possible. We require 60,000 teachers in this country, yet the Ministry has budgeted for only 6,000 new teachers. There is need to address that issue, so that we have more teachers being employed to ensure that the gap in our schools is taken care of.

Mr. Speaker, Sir, agriculture is important and it is unfortunate that, as a country, we have not given enough resources to the agricultural sector, which is the backbone of the Kenyan economy. We would like to see more incentives being given to our farmers, so that they may prepare their farms and plant in time so as to get enough to feed this country.

Regarding the donor funds, we would like to appreciate the donors who have kept on assisting our country by funding many projects in the country. When you look at the donor funds which come to our country, we would like to say that we must make maximum use of this money with a view to ensuring that we are self-sustaining in the near future. Much of that money is never discussed. It is my request that the money from donors passes through this House, so that we discuss it and ensure that the disbursement of the same reaches every corner of this country. With maximum use of the Budget prepared, then within one year we should see this country moving in

the right direction.

Thank you.

**The Assistant Minister for Labour** (Mr. Ojaamong): Mr. Speaker, Sir, thank you for giving me this opportunity to contribute to the Budget Speech by the Minister for Finance. While thanking the Minister for having made the Budget proposals, he promised that he was going to ensure that services to Kenyans were delivered effectively and efficiently. All this refers to the Civil Service. We have complained about that for a very long time. In fact, before the NARC Government came to power, we had a very corrupt Civil Service, which we needed to reform so that Kenyans could get efficient and effective services.

If you go to most Government offices now, I do not think that the quality of services to Kenyans has changed from the KANU days. If you visit any hospital, the nurses and doctors come to work late and are just relaxed in their workplaces. So, there are complaints from the public that they are not getting the services they need, yet, as a Government, we are saying that we are giving free medical treatment to pregnant mothers and children under the age of five years. Those are just things that we talk about in offices, but are not practical down there. When the Minister promises that we will deliver effective and efficient services, I appeal that every Ministry takes it upon itself to ensure that it delivers the service to the people. To that end, I suggest that mechanisms be put in place and performance contracts be signed by all employees of the Government, so that we are able to know what somebody has done in a week, for example. For now it is just a routine; people have to wake up, go to their offices, sit, read papers and in the evening go back to their houses without showing anything that they have done.

*[Mr. Speaker left the Chair]*

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

We always talk about an effective and efficient Civil Service but, when you go to the police force--- In fact, if you ask any child in the village what is the work of a police officer, he or she will tell you that the work of a police officer is just to arrest people who drink *busaa* and *chang'aa*. There is nothing else they know about a police officer other than collecting bribes. That has worsened especially after the post-election crisis. The police officers in areas where we come from, like Busia and Teso, have taken it upon themselves just to harass the public without any provocation. That is something we must address because our people want to live in peace. A Teso who has grown his rice and wants to go and sell it in Uganda should not be charged Kshs20 by the police so that he can do so. We want our people to move freely. Likewise, the police are all over impounding motorcycles from people who operate *boda boda* business and taking Kshs20 from every motorcycle that passes by their roadblocks. Those are the most basic things that we have to address, if our country has to move forward.

Mr. Temporary Deputy Speaker, Sir, when it comes to the utilisation of our funds, again the Civil Service--- We, as Members of Parliament, are not interested in handling any Government funds. We want to play our role of legislating and exercising our oversight functions. But when that money is moved from the Treasury to the districts, it does no work at all. The reason why we started agitating for the Constituencies Development Fund (CDF) is because wherever we went, the public would tell us: "We want a road here. We want to be supplied with water!" But we could not trace that money. So, we decided to take a chunk of the national Budget so that we could deal with the most urgent problems. But money allocated to major projects in constituencies is never utilised well.

For instance, if you look at the Local Authorities Transfer Fund (LATF) money, unless we overhaul the Local Government Act, no services will be delivered to the people. In my constituency, I have three local authorities. In total, they receive over Kshs60 million from LATF. The local authorities are also very rich in their own right. So, together with whatever they collect, they get over Kshs100 million a year. But there is very little they can show in terms of development. All the money goes to just a few employees. The question I ask is: Is it the function of the local authorities to deliver services to the people or to enhance corruption? It is just a few people who enjoy the money that the *wananchi* are supposed to benefit from! I think it is good that the Orange Democratic Movement (ODM) was given the docket of the Ministry of Local Government so that we can see how they can reform that Ministry for the benefit of the Kenyan people. If the ODM fails to manage the local authorities and ensure that we see tangible projects, then it will be pointless for them to go and ask for votes. They have been given a very key Ministry which can transform this country. We want to see a situation where LATF funds are managed very well.

Last year, and the previous years, I tried to intervene in my local authorities by asking the Minister to send auditors to audit them. But it was like I was just showing the Minister where to go and compromise with the officers out there, and get some liquid cash for themselves to share out. It was a very unfortunate scenario that money meant for low cost housing schemes in Busia Municipality, a project that I launched, all went to waste just because the Ministry officials at the headquarters were abetting the misuse of funds. A bridge connecting my home to Busia Municipality was allocated Kshs7 million, but all that money disappeared! What you can see is only one lorry-load of sand. To date, the Government has not even gone there to investigate where that money went to. We are tired of complaining. What actually is the role of the Kenya Anti-Corruption Commission (KACC) in this country? I reported that case to KACC! The Director earns a lot of money and yet, he does very little investigation. When the Attorney-General tables their quarterly reports here, the Director only says that a chief was found stealing chicken or taking a bribe. Those are the kind of corruption cases that he is investigating. He leaves out millions of shillings which would have benefitted Kenyans and the perpetrators go scot-free.

Mr. Temporary Deputy Speaker, Sir, even the Minister for Finance should not concentrate so much on allowances paid to Members of Parliament. That is because the tax on allowances paid to Members of Parliament will not transform Kenya or put food on the table of every Kenyan. Let him fight corruption. We have a lot of funds which are just going to waste. Let us not try to fool around with Kenyans and tell them that if we deduct allowances from Members of Parliament, they will be the happiest people in the world. No! Let us prevent corruption in various Government departments. That is why I am not even interested in seeing any allowances paid to Members of Parliament being chopped off. They should remain the way they are. We should look for ways of improving the lives of Kenyans. Let the Minister go out and look for donors. We have so many donors out there who want to assist Kenyans. Let them bring investors to Kenya to put up factories like the Busia Sugar Factory. That will ensure that *wananchi* earn some money, rather than focusing on the allowances paid to Members of Parliament as if that is the *alpha* and *omega* of everything in Kenya.

Mr. Temporary Deputy Speaker, Sir, we have the issue of roads. If you look at the Budget Estimates, you will find out that the same regions which have been getting money are still getting. Likewise, those areas which never used to get money are still not getting it. That boils down to the issue of inequality which was the cause of the post-election violence. I think the Minister and the Government should be able to learn. If you continue giving out money unequally the way you are doing, I think the 2012 post-election violence might be worse than what we had. Even if we increase the budget for the police force, they are very few.

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

**Mr. Muthama:** Ahsante sana, Bw. Naibu Spika wa Muda. Nachukua nafasi hii kutoa maoni yangu kuhusu Bajeti ya 2008/2009.

Mimi niliguswa sana kuona kwamba tunahitaji pesa nyingi za kuagiza chakula kutoka nchi za nje ili kuwalisha Wakenya kwa miezi michache tu. Huku nikimshukuru Waziri wa Fedha kwa makadirio ya pesa ambayo yanafaa sana, vile vile nasikitika kwamba nchi inahitaji mipango kabambe kuliko kuletewa chakula kutoka nje. Nasema hivyo kwa sababu mabilioni ya pesa tutakazotumia kuwanunulia wananchi wa Kenya mahindi yangefaa kutumiwa kuwapatia maji. Tungewaacha wahangaike kwa hiyo miezi mitatu! Nchi ya Kenya ni kubwa. Sehemu kubwa ya kule ninakotoka ina rutuba nyingi sana. Kile wananchi wanachokosa tu ni maji. Tukiwapatia maji, hawatahitaji kupewa chakula.

Bw. Naibu Spika wa Muda, utakubaliana nami kwamba taifa ambalo haliwezi kulisha watu wake ni taifa maskini. Liwe ni taifa lililo na barabara nzuri au hospitali nzuri, lakini likiwa haliwezi kuwalisha wananchi wake basi taifa hilo ni maskini. Tunalalamikia bei ya vyakula. Inaonekana kwamba kuna watu fulani ambao wana njama ya kuleta chakula humu nchini ili wafanye biashara. Tunapozungumzia masuala kama vile kupunguza ushuru unaotozwa chakula kinacholetwa humu nchini, hilo halisaidii kwa vyovyote kwa sababu wafanyabiashara ambao wamewanyonya wananchi kwa miaka hii yote ni wanafiki na wanangojea tena wakati ufike ili waendeleo kuwanyonya wananchi. Kwa hivyo, hakuna njia yoyote ambayo bei ya chakula itaweza kuteremka.

Mapato ya wananchi wa Kenya ni takriban asilimia 85. Hii ni hali duni sana. Soko ni moja ambalo wananchi na Wabunge wanunua bidhaa. Mishahara ya wananchi huanzia Ksh3,000 na ikiwa zaidi ni Ksh10,000. Wanalipa nauli ya usafiri. Bei ya sukari na majani chai ni ile ile. Itakuwaje wanaomiliki hizi biashara wateremshe bei ya bidhaa hizi ili kuwasaidia wananchi? Mimi natoa mwito kwa Serikali na hasa Waziri wa Fedha, akadirie fedha zaidi kwa sekta ya maji ili wananchi wa Kenya waweze kujilisha.

Bw. Naibu Spika wa Muda, juzi askari jela waligoma. Polisi wanafanya kazi katika hali duni sana. Nyumba wanamoishi si nyumba utatarajia mtu anayetoa ulinzi kwa taifa kuishi ndani. Sote tumeona jinsi wanavyoishi. Fedha zilizotengwa kujenga nyumba za askari jela na polisi Ksh2 bilioni ni pesa chache sana. Haziwezi kugharamia wala kutosheleza mahitaji ya askari wetu. Ikiwa tunataka kupatiwa ulinzi unaofaa, ni lazima tukubali kuwaangalia na kuwasaidia wale ambao wanatoa huo ulinzi. Hizo pesa kiasi cha Ksh2 bilioni ni chache sana ukilinganisha hasa na Kshs8 bilioni ambazo idara ya NSIS imepatiwa. Serikali ingeongeza pesa za kujenga nyumba za askari jela, polisi wa kawaida na polisi wa utawala.

Bw. Naibu Spika wa Muda, mambo yalizungumzwa hapa kuhusu utalii. Mimi kama mfanyabiashara najua ni vigumu sana kuwaambia watalii waje Kenya kuwaona wanyama na kuwapiga picha kisha waondoke. Sharti shughuli ya utalii iongezewe mambo mengine. Mimi nikitaka kufunga safari ya kwenda Nakuru kutalii, sitataka kwenda huko kunywa chai tu na kurudi Nairobi. Ningependa kwenda Nakuru kunywa chai na kununua zawadi ambayo itakuwa inanikumbusha namna safari yangu ilivyokuwa.

Ni muhimu kutaja kwamba idara ya madini haijazingatiwa hata kidogo. Mimi nimetembea huko Israel. Asilimia 75 ya mapato ya nchi ya Israel inatokana na uuzaji wa madini ambayo Waisraeli hawachimbi. Hali ni hiyo hiyo huko Ujerumani na Marekani. Vile vile nimeona huko Thailand na Hong Kong kwamba watalii wanapenda kuishi vizuri na kununua zawadi. Ingekuwa muhimu kwa Serikali yetu kuzingatia idara ya madini kwa sababu hapo ndipo kuna pesa nyingi za nchi hii. Kuna madini mengi ambayo hainunuliwi na watalii. Madini inapochimbwa na kuwekwa kwenye soko huwa inashindana na madini ya dunia. Madini haitengenezwi kwa mashine wala haipikwi kwenye sufuria. Uuzaji wa madini unaweza kukuza uchumi wa nchi sana hata tupate kujivunia. Ningependa sana kiwango fulani cha pesa kitengwe ili kusaidia idara ya madini ili

wananchi wa Kenya waweze kuinua uchumi wao kupitia raslimali walizopatiwa na Mungu.

Bw. Naibu Spika wa Muda, tumeambiwa kwamba Serikali imetoa pesa za kujenga shule za upili. Ijapokuwa pesa zimetolewa, isiwe kijumla. Tunataka kujua ni pesa kiasi gani ambacho kimetengewa kila sehemu ya uwakilishi Bungeni kulingana na wingi wa watu. Hii ni kwa sababu kuna sehemu fulani ambazo zina wanafunzi 100,000 ilhali sehemu zingine zina wanafunzi 10,000. Kwa hivyo, tunataka kujua jinsi shule hizi zinajengwa. Je, inategemea wingi wa watu katika kila sehemu ya uwakilishi Bungeni? Ningependa kujua nitapata pesa ngapi katika sehemu ninayowakilisha Bungeni na ni shule ngapi zitajengwa.

Tumesikia mambo ya barabara. Imekuwa ni kilio katika nchi hii kwamba sheria kadha wa kadha zibadilishwe ili tuweze kukabiliana na mambo ya rushwa. Miaka 45 imepita tangu tujinyakulie Uhuru. Kisingizio kimekuwa kwamba wajenzi wa barabara wanafanya kazi mbovu ilhali hatua haichukuliwi dhidi yao. Hadi leo hatujasikia hata kontrakta mmoja aliyepolekwa kortini. Ni mdomo tu! Tuache kuhutubiwa! Tukitaka kuhutubiwa tutaenda kanisani. Hapa ni Bunge mahali ambapo tunatunga sheria. Ni lazima sheria izingatiwe. Ikiwa Waziri wa Barabara amegundua kwamba barabara zinajengwa vibaya, basi wanaohusika yafaa watiwe mbaroni na wanyang'anywe hizo kazi. Sisi tunawalipa majaji huko kortini! Ni pesa zetu ambazo zinatumika lakini barabara hazijengwi.

Bw. Naibu Spika wa Muda, sisi Wabunge tunachukiwa huko nje. Mimi nilipokuwa nikiomba kura, nilikuwa ninaambiwa, "Ukifika Bungeni, kitu cha kwanza cha kuangalia ni mshahara mnaolipwa ninyi." Juzi, Waziri wa Fedha alitoa mwelekeo wa kutaka kutuweka sisi pamoja na wananchi wengine. Litakuwa jambo lisilofurahisha--- Mimi najua sitakuwa kipenzi cha wengi. Hata hivyo, mimi sikuchaguliwa kuwa kipenzi cha wengi. Ikiwa mwananchi wa kawaida ambaye ananunua soda dukani analipa kodi ama yule mwananchi wa kawaida ambaye anapata mshahara wa Ksh15,000 ama Kshs30,000 analipa kodi, mimi nataka kulipa kodi kabisa bila kuulizwa nitalipa na nani. Kwa hivyo, jambo la kulipa kodi ni jambo la kuweka wananchi pamoja.

Tunataka tuishi pamoja ili tusionekana kama sisi---

**Dr. Khalwale:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to suggest that the solution to the suffering of Kenyans is the taxation of the allowances of Members of Parliament when we know that the real problem is corruption? The hon. Member is one of the people who received Kshs40 million from Goldenberg and here he is pretending that he is so kind to members of the public. Is he in order?

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

**Mr. C. Kilonzo:** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Imanyara): Order! He is on a point order. How do you raise a point of order when there is one on the Floor? I rule that, that was not a point order. If you have a substantive issue to raise about a Member of Parliament then you can do so under the relevant Standing Orders. What you have raised now is not a proper point of order.

Proceed, Mr. C. Kilonzo!

**Mr. C. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, is Dr. Khalwale in order to attack and make allegations about my good friend, and I believe a very holy man, unless he has proper truth?

**The Temporary Deputy Speaker** (Mr. Imanyara): Order! I have already made a ruling on that issue!

Continue, Mr. Muthama!

**Mr. Muthama:** Ahsante sana, Bw. Naibu Spika wa Muda. Kodi---

**The Temporary Deputy Speaker** (Mr. Imanyara): I am sorry, Mr. Muthama. I am told that your time is up.

**Mr. Mwaura:** Mr. Temporary Deputy Speaker, Sir, as I stand to support the Minister for

Finance for ably presenting the Budget Speech, I would like to highlight one or two points. The first one concerns the modernization of the Port of Mombasa. The Minister raised the issue of a free port. This is a very noble idea and if implemented, it will be the first Free Port in East Africa and also on the continent of Africa.

Therefore, to make the idea a success, I propose that this project be made a joint venture between the Government, the private sector and local investors. We are aware of what has been going on in this nation. The private sector has been doing so well compared to Government parastatals. We have various examples of people doing well such as the Chief Executive Officer of the Kenya Commercial Bank (KCB), Mr. Martin Oduor, who has displayed exemplary performance. As a result of good performance in their work, various benefits have reached the investors. Therefore, this noble idea of a free port should be made a reality. It should be a Kenyan free port, where all stakeholders are involved.

Mr. Temporary Deputy Speaker, Sir, the other issue concerns the delays that we experience at the Port of Mombasa. Cargo handling has been of great concern to the traders in this nation. It has caused some frustration to other East African countries like Uganda, because their goods have been delayed for almost a month. This has, in some way, frustrated their economy. Cargo handling should be improved to enhance our economic performance and contain the issue of diversion of trade to Dar-es-Salaam by Uganda and other neighbouring countries.

Mr. Temporary Deputy Speaker, Sir, the issue of employment at the Port of Mombasa has not been very good. The entire port should be accountable in order to make it beneficial to the entire population of our country. Time and again, there have been reports of theft at the port. Imported motor vehicles have often disappeared from the port. This has created lack of confidence in the port of Mombasa by the trading community in the region.

The issue of tenders has also been of great concern. The people charged with this responsibility have not executed their duties in the best way possible. This has resulted in lack of accountability. The security at the port is also a mess, because many ships have been diverted by pirates and a lot of goods have been taken elsewhere. This is a very serious development. The Kenyan market share has also been diverted to other areas. This should be given a lot of attention as we embark on the issue of developing a free port. We, therefore, need a very effective and efficient free port.

Mr. Temporary Deputy Speaker, Sir, on the issue of introduction of a sports fund in the constituencies, the money allocated by the Minister is inadequate. The Minister should have raised the allocation from Kshs1 million to Kshs2million. Doing so would have enabled engagement of sports officers who would be in charge of sporting activities in every constituency. We should not just focus on one activity, mainly soccer; we should also introduce other sports such as athletics, netball and so on. By involving more youth in those sporting activities, we will be giving them better service. We will also expose them and enable them to improve their talents and compete for the nation.

Mr. Temporary Deputy Speaker, Sir, on the issue of the Youth Enterprise Development Fund (YEDF), we did not hear the Minister talk about a men's fund. This is another area that needs to be given a lot of attention.

On agriculture, the Minister did not create room for the old debts that have continued to affect farming in this nation. The Pyrethrum Board of Kenya (PBK) has not paid pyrethrum farmers over Kshs200 million. That money should have been set aside for the farmers to access, so that they can inject it into their farming. Nothing has been set aside for the wheat farmers, whose crop has been affected by army worms. I do not see how we are going to improve farming if we have forgotten this very important sector.

On the issue of establishing a fertilizer factory, this is a very important issue, which should

be given due attention and implemented.

On the education sector, we have noted that many schools have problems; schools are being burnt down and books destroyed. Teachers are facing a very hostile environment. A committee should be formed to look into these issues, this being the second term when the students are gearing up to write their examinations. If the situation is not addressed, the performance of our schools at the end of the year will be badly affected.

Mr. Temporary Deputy Speaker, Sir, on the issue of air transport, we have had the experience of *matatus* grounding the whole nation when they are being inspected. Why not take time to inspect planes that fly around very important personalities to make sure they are suitable to fly hon. Members and other dignitaries? We should have those inspections done regularly, and allow flying of only those planes that pass the inspection test. If we allow the situation to continue, we will continue to bury very innocent personalities, because of our failure to implement inspection schedules in a timely manner.

Thank you, Mr. Temporary Deputy Speaker, Sir, for this opportunity.

I beg to support.

**Mr. C. Kilonzo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this very important Motion on the Budget. I can only classify this Budget into three sections; the good, the ugly and the bad parts. Allow me to start with the ugly part.

Year after year, politicians have taken Kenyans for a ride. If I may take you back to the year 2002, when the NARC Government took over the running of this nation, they promised a new Constitution within 90 days. We never got any new Constitution. We have been promised a new Constitution within a year. But we are not going to prepare a new Constitution using funds from *Harambees*. The money required has to be provided for in the Budget. We are talking of a new constitutional dispensation in a year's time, yet we have not provided for that process in the Budget. Any expense by the Government has to be approved by Parliament. This tells us that the leadership in this country is only taking us for a ride!

**Dr. Khalwale:** Shame! Shame!

**Mr. C. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, the PNU, ODM(K) and ODM are now in bed together. It is very clear that they are taking us nowhere, in as far as the issue of the Constitution is concerned. That is one ugly part of the Budget.

Mr. Temporary Deputy Speaker, Sir, the second ugly part is the issue of poverty. The only money which seems to have an impact in our constituencies is that from the Constituencies Development Fund (CDF). We expected an increase of the allocation to the CDF. At the constituency level, an hon. Member is like the Government. The poverty levels where I come from are unbelievable. It is unfortunate that some of the people we have in Government do not come from areas where there is poverty. During the last Parliament, the Minister for Finance said that he did not see the importance of bursaries. I expected to hear that the Constituencies Development Fund (CDF) has been increased by 10 per cent. When the Minister for Finance goes the other way round to say that he wants to tax allowances of hon. Members--- An hon. Member at the constituency is in charge of funerals, hospital bills, church *Harambees* and bursaries from his pocket because the money for bursary is not enough. He is the man who attends all *Harambees*.

**An hon. Member:** Tell Mr. Muthama!

**Mr. C. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, a Member of Parliament is like Robin Hood. You get it from the Government and, through yourself, you give it to the poor people. But who are the people in this Parliament who are saying that allowances should be taxed?

**Dr. Khalwale:** The corrupt!

**Mr. C. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, I am not accusing anybody but look

very carefully. Most of those hon. Members are in court on corruption charges. Others have been adversely mentioned in Goldenberg and others in Anglo Leasing. So, when you make your money, you are so happy that you made your money and when you come to the House---

*(Applause)*

**Mr. Muthama:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to keep on referring to cases in court and yet, he cannot substantiate the same and say: "So-and-so has been accused?" Why can he not stick and dwell on the Budget?

**Mr. C. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, the Chair has ruled before that we are doing serious business. We are not looking after goats somewhere in Ukambani. That was the ruling of the Chair! I do not even need to mention more about my colleague, but it is very simple. The fact that you have been elected to be a Member of Parliament does not cleanse you from your evil deeds out there. I left my professional office without touching any taxpayers' money.

**Mr. Muthama:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not think it is in order for an hon. Member to mention his colleague. If he has to track and take stock of his life, probably, he was brought up with that money. His father was a former Commissioner of Police!

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Muthama, you are completely out of order! I did not hear him mention you! He specifically said that he did not want to talk about you. When you rise on a point of order, you are probably inviting a response that will not please you. You are completely out of order!

**Dr. Khalwale:** The guilty are afraid!

**Mr. C. Kilonzo:** Indeed, Mr. Temporary Deputy Speaker, Sir, the guilty are afraid! However, since he wants me to mention him, let me do it!

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

**Mr. C. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, he has requested it. I refused to do so the first time, but he has requested. So, could I mention him?

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Muthama, did you request it?

**Mr. C. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, he requested it. He said that I am not mentioning names.

**Mr. Muthama:** Mr. Temporary Deputy Speaker, Sir, I never requested it, but he pointed at me. He did like this!

*(Mr. Muthama gestured)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, Mr. C. Kilonzo! You only speak through Mr. Speaker!

**Dr. Khalwale:** On a point of order, Mr. Temporary Deputy Speaker, Sir. This matter is of national importance. But we have hon. Members in this House who actually ripped off this country through Goldenberg. They are here trying to challenge the Chair because he is using his position to protect them simply because of the Standing Orders. Would I be in order to table the list of the recipients of Goldenberg money, who include Mr. Muthama?

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

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

Order, Mr. Muthama! Dr. Khalwale has risen on a point of order. So, you also cannot stand on the same. Continue, Mr. C. Kilonzo!

**Mr. C. Kilonzo:** Mr. Temporary Deputy Speaker, Sir, the Chair said that this is Parliament. We are not looking after goats somewhere in Ukambani. That was the ruling of the Chair and not mine!

**Prof. Kaloki:** On a point of order, Mr. Temporary Deputy Speaker, Sir. We need some dignity in this House. The language being used now is not proper. It is not right for an hon. Member representing the people of Kangundo to be referred to using the language that I am hearing in this House. Could you rule that we proceed with dignity?

**Hon. Members:** Which words?

**Prof. Kaloki:** Mr. Temporary Deputy Speaker, Sir, the hon. Member for Yatta is referring to Mr. Muthama in terms of things like goats.

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, hon. Members! He has not done that!

**Mr. C. Kilonzo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me your protection. This country is now turning to be one of the rich. When the Minister for Finance says that he will raise the capital base for small banks from Kshs250 million to Kshs1 billion, he can only be targeting the poor man! The average Kenyan will never open a bank. Equity Bank is a very good case of a small bank which started from a humble beginning but, today, it is one of the very big ones. Equity Bank taught the big banks a lesson. The big banks were arrogant to *mwananchi* but, because of Equity Bank which started from a humble beginning, the "big" banks have woken up.

Let me talk about the bad part of this Budget. This country relies on agriculture. Agriculture forms the backbone of this country. About 80 per cent of the population relies on agriculture. But how much has been allocated? Just 1.78 per cent; a mere Kshs13 billion. We cannot be a proud nation if we cannot feed our people. That has been said by my good friend, Mr. Muthama. It is a positive thing. How are we going to deal with the cost of food unless our people grow their own food and eat it? But how much did the Minister for Finance find wise to allocate? Only 1.78 per cent! That is a bad part of the Budget!

Mr. Temporary Deputy Speaker, Sir, irrigation is crucial to ensure that we grow enough food to feed our people. How much was allocated for the entire Ministry? Irrigation alone is receiving Kshs6 billion. We need dams like Munyu Dam, which requires about Kshs10 billion. It will cater for the entire Ukambani region. Drought will be a thing of the past. When the President and the Prime Minister were campaigning - even the Vice-President and Minister for Home Affairs - they were saying: "Once we get into power, there will be no more relief food. It will be water everywhere!" But now that the three of them are in bed together, how come I was only given Kshs5 million for my constituency?

With those few remarks, I beg to support.

**Mr. Muturi:** Mr. Temporary Deputy Speaker, Sir, a lot has been said about the Budget so far, but I would like to support the previous speaker by saying that quite a number of issues ought to have been addressed. The Minister should have allocated more funds to some sectors such as agriculture and education. Since we all agree that agriculture is the backbone of our country and it will help alleviate unemployment amongst our youth and reduce poverty, we need to urge the Government to address issues that are pertinent to eradication of poverty and improvement of health. I would like to appreciate that the Minister has seen the need to allocate some funds to food processing industries. We would be glad to see it happen because it will add value to mangoes and passion fruits.

Mr. Temporary Deputy Speaker, Sir, the Minister did indicate that factories will soon come up in Murang'a North, Kilifi and Keiyo districts, among others. While this is very encouraging, it would also be important that these factories are managed and run by small-scale farmers. The

tendency we have had is that whenever food processing plants come up in this country, they are in the hands of foreigners. In actual fact, I would be more blunt and say that they should be in the hands of African Kenyans.

Time has come for this country to behave like South-East Asian countries such as India, Pakistan, *et cetera*, where they have made sure that even if you have enough money to invest, the first consideration is given to the indigenous people. I do not see any reason as to why the same should not happen when it comes to food crop processing plants in this country.

Mr. Temporary Deputy Speaker, Sir, a lot has been talked about the Ministry of Health. The Constituencies Development Fund (CDF) has done a great job in this country. Many dispensaries have been put up. Unfortunately, some of those institutions are just white elephants. It is time the Minister and the Government thought of how to recruit additional nurses and other medical staff to cater for the communities, who have spent colossal sums of money putting up those dispensaries and health centres. It is of no use for the same Government to give the CDF funds to put up schools and health centres when there are no staff to manage them. It is sad, to say the least.

With regard to the education sector, while we appreciate that the Minister has allocated quite a substantial amount of money to the Ministry of Education - we have been told that the Ministry of Education is doing its best - the Ministry's performance leaves a lot to be desired. The country has shortage of 60,000 primary school teachers to serve in this basic education sector and yet, the Ministry plans to spend a lot of money to put up classrooms. It is not enough to put up classrooms or install electricity to secondary schools if there is no learning. Pupils can even learn under trees if schools are provided with an adequate number of trained teachers. Out of the 60,000 primary school teachers needed, the Government intends to employ 6,000. I wish the Minister was here to tell us how many more Budgets he will have to present to this House to be able to recruit 60,000 teachers for this country. It is inappropriate to invest in primary, secondary and post-secondary institutions and yet, there is no adequate learning. It is better to provide learning and teaching materials like laboratory equipment and books. It is of no use to cater for more schools to be built when we cannot get an adequate number of teachers.

I will now talk about the youth employment and development. I am happy, like everybody else, that the Minister and the Government have considered giving additional funds to the Ministry of Youth Affairs and Sports. However, the youth polytechnics need improvement, especially the infrastructure. If we want to have the youth employed and be active in the rural areas, we need to supply youth polytechnics with tools, instructors, water and electricity. All these would go along way in improving the youth centres, polytechnics and *Jua Kali* sheds.

If the Government invests well in these institutions, we shall be able to cater for young people in the rural areas. If the youth remain idle, they would turn to criminal activities. No wonder every Member of Parliament who stood here to speak has complained about harassment of the youth countrywide. It is not that our youth, all over the country, would wish to be harassed. It is because they are idle. There are not enough activities to cater for their time.

Mr. Temporary Deputy Speaker, Sir, there is need to address the issue of the road network in this country. While we do appreciate that the intensive labour that we have in this country would help to put roads and enable motorists to access rural areas with potential to produce enough food for this country, the way this is done currently leaves a lot to be desired. If you go to other high potential areas, the earth roads are impassable during the rainy season. It would also be desirable if more funds were allocated for improvement of roads in those areas. Roads which require to be murramed, especially in the high potential areas, need attention more than ever before, if we want to feed our nation.

A few issues were raised about inputs for small-scale farming activities. I would wish to draw the attention of this House to the fact that as much as we would want to talk about the

provision of fertilizers by the National Cereals and Produce Board (NCPB) and other Government institutions, the tea farmers are now wondering whether they should keep on producing tea. We are told that Kenya produces quality tea. However, the Minister for Agriculture should know that tea farming is taking the same route that the coffee industry did.

Mr. Temporary Deputy Speaker, Sir, in the past, the issue of the coffee industry, especially with regard to small-scale farmers, was repeatedly raised and yet, the coffee industry is still going down the drain. I would like to give an example of a coffee society in my own constituency. About ten years ago, the Government advised that we separate the society. Later, the former Minister for Co-operative Development said that we should merge the societies. However, before the merger, the former Ministry of Co-operative Development recommended that a liquidator be engaged to liquidate the societies.

Whereas the farmers societies were asked by the same Ministry to merge, to-date, the liquidator is still charging the small-scale farmers some money. What is he liquidating? What is the Minister, with this liquidator, doing with the farmers? From the proceeds of every crop that has been harvested, for the last four years, the liquidator has been taking about 20 per cent. What is he liquidating? What is the Commissioner for Co-operatives looking forward to after this fellow has gone on? The coffee industry is dying slowly while the Government and the Ministry of Co-operatives Development is watching.

Mr. Temporary Deputy Speaker, Sir, such actions by Government officers is what kills the morale of our small-scale farmers. These issues should be addressed quickly, if we want to continue harvesting coffee.

With those remarks, I beg to support.

**The Minister for Livestock Development** (Dr. Kuti): Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support this Motion. I would like to congratulate the Minister for Finance for presenting a Budget which is people-friendly or a Budget for the poor. I would like to start by saying that quite a good portion of the Budget touched on the youth, who form a very big percentage of our population and whose plight is also a matter of concern for this nation.

The fact that the energies of the young people both in the rural and in the urban areas will be focused towards sports is a very important thing. The Government has allocated funds to the youth to the tune of Kshs1 million to every constituency. This is a very good initiative. We have seen that in this short span that the Government has shown interest in sports, the mood in the country is also changing. Interest in local sports, especially in soccer, is back just like in the old days of glory of the AFC Leopards and other teams in the country.

Mr. Temporary Deputy Speaker, Sir, currently, our young people while away their energies in drugs, be it mild ones like *miraa*, cigarettes and alcohol to the hard ones like heroine and the rest, because of idleness and lack of engagement. The fact that now in every constituency there will be organised sports, we will redirect those energies and salvage our young people.

On the issue of taxing Members of Parliament and other constitutional office bearers, I stand here to fully support the proposal. This would not have come at a better time than this when Kenyans are facing high inflation and increased food prices because of increased fuel costs. It is important for hon. Members, who have been chosen to lead this nation, to lead by example by contributing towards the kitty of improving the economy of this country by paying taxes. I fully support this and especially at this particular time.

Coming back to the issues that are affecting my Ministry of Livestock Development, I would like to highlight the fact that the funding to this Ministry is very low. I do not think that Kenyans, especially the Government, have fully appreciated the role livestock can play to the economy, the improvement of household incomes, wealth creation and poverty eradication. During the Colonial Era, the livestock sector had an elaborate system in place. There were disease-prone

zones of the north where animals were kept. They were tracked from those zones to middle-level buffer-zones called holding grounds. There were various holding grounds across this country. Animals were tracked through specific stock routes. Along those stock routes, there were dips. The animals were de-wormed and vaccinated as they were tracked down from the disease-prone zones to the buffer zones of the holding grounds.

When the animals arrived at the holding grounds, they were kept for four weeks, observed, vaccinated and treated for all kinds of diseases. Then after four weeks, they would be declared disease-free. They would then access the ranches on the highlands where the settlers kept the disease-free animals in the disease-free zones. Those animals could then access international and local markets either as live animals sold off or slaughtered and exported as meat, hides and skins. The Kenya Meat Commission then, was a very important instrument that co-ordinated the meat export.

Mr. Temporary Deputy Speaker, Sir, in the mid-1980s, we introduced livestock policies that changed all that. We privatised the sector or left the sector to the community. The extension workers who taught farmers on best practices have all been either sacked or removed from the Government payroll. The cattle dips which were being subsidised and cost Kshs5 to dip an animal at that time were left to the communities and privatised. Now, it costs Kshs60 to dip an animal from Kshs5 at that time. There are no regular vaccinations because most veterinaries have either become private practitioners and have, therefore, moved to urban centres where there are lucrative markets for them.

The result of this, which we are reaping today, is that instead of us controlling diseases, diseases have gone out of control. We are now being controlled by diseases as we do fire-fighting, chasing after the Rift Valley Fever and the Avian Flu outbreaks and the current PPR outbreak. The Ministry now is reduced to just doing fire-fighting.

This Ministry employed its staff last time in 1987. My Director of Veterinary Service, who just got promoted in May, 2008, is retiring in December, 2008. His deputy may even retire before him. So, this is a Ministry on the verge of closure. We changed policies and reneged a very important sector. We are now reaping the negative effects of that. Since 1992, we cannot export meat outside this country. Over Kshs300 billion potential market is lost and now we are only having meat for local consumption. About 80 per cent of the landmass of this country is inhabited by communities that depend on livestock. If we had improved on the colonial policies, today, those areas would be the meat basket of this country. The areas are still the meat basket of this country, but because of the neglect, the sector is far from realising its potential.

Mr. Temporary Deputy Speaker, Sir, as the Minister for Livestock Development, since we cannot make the whole country a disease-free zone, I have identified five disease-free areas or zones and I am preparing a document where technocrats will come up with ways of creating those disease-free zones. Agricultural economists will find the economic sense of it by finding out the cost of establishing the zones, the money value for it or what are the gains in terms of improving household incomes and eradicating poverty.

I can see that time is against me, but I would like to conclude by saying that this is a hopeful time for the livestock keepers. I will require the support of the House and the Government to be able to revive this very important sector.

Thank you very much.

## QUORUM

**Mr. Lessonet:** On a point of order, Mr. Temporary Deputy Speaker, Sir. We do not have a quorum in the House.

**The Temporary Deputy Speaker** (Mr. Imanyara): We do not have a quorum. Ring the Division Bell.

*(The Division Bell was rung)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, hon. Members! We now have a quorum!

However, before I give the chance to an hon. Member to contribute, let me point out that the purpose of ringing the Division Bell is to enable the whips to go out of the Chamber and bring in hon. Members! It is, therefore, totally out of order for any whip to be sitting in the House when the Division Bell is ringing!

*(Applause)*

**Dr. Khalwale:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Because we are now being covered live, it is important that you allow us to set the record straight. The reason why there is lack of quorum is because there is a requiem mass that is going on for our two departed colleagues.

*(Applause)*

**The Assistant Minister, Ministry of State for Planning, National Development and Vision 2030** (Mr. Kenneth): On a point of order, Mr. Temporary Deputy Speaker, Sir. I appreciate your ruling, but it would be important for the same to be repeated when the whips are here, as they need to note your own observation.

*(Applause)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Who wants to contribute?

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

Mr. Kenneth, please, proceed!

**The Assistant Minister, Ministry of State for Planning, National Development and Vision 2030** (Mr. Kenneth): Thank you Mr. Temporary Deputy Speaker, Sir. I want to take this opportunity to contribute to the Budget Speech.

Mr. Temporary Deputy Speaker, Sir, first I must say that I support the Budget Speech. However, I would like to make my observations. Although we brought policies that were seen as being pro-poor, it would have also been nice for the Ministry of Finance to have looked at issues that arose out of the post- election period, which resulted in violence.

Mr. Temporary Deputy Speaker, Sir, it would have been important to look at land issues, the reforms required and tried to ensure that issues that arose from the post-election violence became part of the history for this country. We all saw the damage that took place---

*(Mr. Maina crossed the Floor without*

*bowing to the Chair)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Order, Eng. Maina! Walk back and bow to the Chair!

**An hon. Member:** Hapana vuka hapa kienyeji, bwana!

*(Laughter)*

*(Mr. Maina went to the Bar and bowed to the Chair)*

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Kenneth, please, proceed!

**The Assistant Minister, Ministry of State for Planning, National Development and Vision 2030** (Mr. Kenneth): Thank you, Mr. Temporary Deputy Speaker, Sir. I think we have a lot of learning to do!

It is therefore important for the Budget to focus on what brought the violence. The economy of this country got a hit when the violence took place. Therefore, if there are land and Constitution issues, then they need to have been addressed in the Budget, so that Kenyans who are investing in business would know that the things that arose would never arise again.

Mr. Temporary Deputy Speaker, Sir, if you look at some of the things that were adjusted in the Budget, including policies that were pro- the poor--- We need to come up with a mechanism that will ensure that the gains of a pro-poor policy are taken to the people, so that they can enjoy the benefits. As I speak, the price of bread has not come down. The prices of essential commodities have not come down. From what I see, unless we have a strong consumer lobby group, prices of certain essentials will not come down. It is very easy to issue a policy that is pro-poor, but unless we have an implementation mechanism, the prices will not come down.

Mr. Temporary Deputy Speaker, Sir, four or five years ago, the Value Added Tax (VAT) was reduced from 18 per cent to 16 per cent. However, the two per cent benefit was not given to the people it should have gone to. Therefore, prices continued to remain the same. The Minister has proposed certain things within the Budget that will require the support of this House. It is very good for the Minister to allocate Kshs1 million to each constituency for football activities. I have been a Chairman of the Kenya Football Federation (KFF) in this country at a time when football was being played properly. I support that move because it will keep our youths busy. I also know that sports is a good business if it is well developed and nurtured. It can take care of our youth.

Mr. Temporary Deputy Speaker, Sir, I have issues to do with the increase of basic capital in banks. I also have issues to do with the capital markets. I am a believer that you do not bring punitive measures by way of increasing capital. You need to enhance the regulatory framework!

*(Applause)*

We must have other cases of Equity Banks and Family Finance which arose from nothing to be the giants that they are today! So, when we put Kshs1 billion to be the capital for any bank, it means we are locking out those people who would like to start small. Not all Kenyans can start at the same pace. When we talk about equality, it must be giving advantage to everybody in this country to invest in whichever business he or she would like to invest in. We must, therefore, have policies that will ensure that we have more Equity Banks and Family Finances of this country to allow our own people to invest in the banking sector. Mr. Temporary Deputy Speaker, Sir, as it is today, and I know that it was tried last year when I was in the Treasury and it did not work because the House did not see it fit--- The House saw it as a way of locking people from doing business. We must ensure that the policies we have are policies that will encourage local investors to invest

in the financial sector of this country.

Mr. Temporary Deputy Speaker, Sir, with regard to the stock exchange, I can see there are proposals to increase what is the share capital. I agree, but that is a new market. Kenyans are getting into that market. We have very few brokers. We need to encourage more brokers into that sector, so that Kenyans can get the services that they ought to get.

Mr. Temporary Deputy Speaker, Sir, looking at the wage bill and the pensions bill, it amounts to nearly Kshs160 billion, which is about 27 per cent of our entire gross revenue! Yes, the services that those people are supposed to deliver---Those who are paying that service bill have issues. The Ministry ought to look at how much this country can sustain with such a huge bill. We are going to continue employment policies. We are going to continue creating employment opportunities. But how far can we do that, if we have the kind of things we had in the first three months of this year? It means that the gross revenue will come down, but the wage bill and the pension bill will remain. I do not know how much we can then hold on to it. At the moment, the crippling domestic and external debts are taking another 27 per cent of what we have. If you combine that with the wage bill, you find that money for development is hardly enough! We have to try and turn most of our resources into development, rather than recurrent. One of the ways to do that is to address, from a performance contracting point of view, what the wage bill will be and the implications of a pension in years to come, of those who are being employed now. Because we are creating a problem for the future.

Finally, Mr. Temporary Deputy Speaker, Sir, I want to speak about an issue that, to me, looks like an issue that is being played to the public gallery. That is about the taxation of the allowances of Members of this House. Let it come! We do not have to make issues about it! I believe that most of the hon. Members here have become philanthropists in their own homes and, probably, contribute more than the taxes that they are going to be taxed in their own constituencies!

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, I know of hon. Members in this House, personally included, who spend all their salaries in their constituencies! Therefore, let us not make it an issue of creating a conflict between the electorate and the people they elected. If it is a law that requires to be amended, let it be brought on the Floor of this House. If it has the support of the hon. Members, it will be supported! But let us not create an issue that seems as if somebody is trying to look for a mechanism to create a conflict between the people who elected us just five months ago! So, let us not politicise or try to play to the gallery on issues that are in everybody's heart and which concern every hon. Member! After all, we are talking about 224 hon. Members. We should have been told about the tax implication and how much it will amount to per month and year. We need to be told how much it will bring in every year in terms of gross revenue, rather than create a hype that when the taxation comes in, there is nothing much to talk about!

Therefore, Mr. Temporary Deputy Speaker, Sir, I want to appeal to the Minister: Let us not play to the public gallery any more! Let him bring the law here. Let him say what he wants to amend. Let us debate it here and look at the cost-benefits! That is because when you look at it, the salary of an hon. Member--- It has been said that it is high and I agree with that. It is not subject to any increment in the five years that an hon. Member is seated here. It does not take care of the inflation costs that are rising in this country and you expect these hon. Members--- This is what the Minister should look at! He will do the taxation, but he will also face the same Parliamentary Service Commission saying that the cost of fuel is so much; the cost of living is so much, and he will have to review it. So, he has to balance the two. The cost of living, on one side, is going up and he wants to do a taxation. But I am saying this on behalf of this House: Let us not politicise it!

Let us face it! Let us not take it to the media as a war against us! We are willing to support him, but let him bring the law here and we discuss it! That way, we can look for a way to move ahead.

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

**Dr. Eseli:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this debate on the Budget. I would like to commend the Minister for Finance for having worked through a very difficult period, with the downturn in the economy after the post-election violence to actually come up with a Budget that attempts to bring better returns to this country. It is a very daunting task and I commend him and his team for working so diligently.

However, Mr. Temporary Deputy Speaker, Sir, there are several things in the Budget that cross my mind and I realize that we have kept on, year after year, presenting what I call "generic budgets"! They are "generic budgets" in the sense that we do not seem to have a focus as a nation as to where we want to go. When you look at the amounts in the Budget, especially those that are allocated to development, it is very sad because it is such a paltry sum that, actually, development will not come. I do believe, and many people also agree with me, that development is not an accident. Development has to be a concerted effort by us to move in that direction. That concerted effort requires funding. If we do not fund our development initiatives, then we will not be able to get anywhere. Instead, we come up with things that lose us money rather than bring in development. Let us take Kenya Railways, for example, where there is a concessionaire trying to run it. That concessionaire, somehow, along the way, also acquired local investors to join him. It is very interesting that the Minister for Finance suggested that they might be funding some development of the railway in the course of the period. Are they funding that to benefit the concessionaire? That person was supposed to have brought in some money! Instead, right now, Kenya Railways is a laughing stock! In fact, it is actually bringing us to fight with our neighbours like Uganda, because the railway is not functioning and yet, Uganda is landlocked!

Mr. Temporary Deputy Speaker, Sir, the best way forward would have been to throw out that concessionaire and then take up the issue using public funds, just like the Kenya Ports Authority (KPA). We are saying that we are putting some money into the KPA to improve the Port. For who are we improving that Port? That is because along the way, things have been said that we intend to privatise KPA, especially the Port of Mombasa. Are we sinking that money there, which is a public debt, to be paid back to Japan by the public so that they can make the Port better and then privatise it? Are we using the public to improve private enterprises? I think we need to look at these things more carefully.

Mr. Temporary Deputy Speaker, Sir, the Minister also talked about the Rural Electrification Programme. It is every interesting to note that when you drive through this country, especially at night, you will realise that some areas are more electrified than others. That is the inequality of distribution of the Rural Electrification Programme. When you are called to prioritise projects in your constituency, it appears, to me, like every constituency is allocated the same amount of money without looking at the size, population and the amount of electrification that is already on the ground. That way, this Budget actually just entrenches inequality rather than reducing it. If you remember the political upheaval, it was mainly because of the inequality in this country. If we are going to use the Budget to entrench that inequality, I fear that we might not be doing a lot of good.

Mr. Temporary Deputy Speaker, Sir, the Minister for Finance talked about areas of science and technology, innovation for growth and employment. It is saddening that the amount of money allocated to research in this country is a very paltry sum. In that situation, we have left our researchers at the mercy of foreign interests such that whatever they research on is not our agenda. What they research on is the agenda of the people funding that research. This is because we, as a Government, have failed to fund our researchers better. I would give you an example, and I am going to move a Motion on this matter later, if we take research on malaria, we have hyped up the

country to believe that mosquito nets are the answer to malaria prevention. Yes, they help, but they are not the only answer. But where are our researchers? They do not have the money to research on better ways and means of controlling this scourge. You find that things like the Genetically Modified Food (GMO) issue that is going on now, our researchers here are funded by foreign interests like "Monsato". So, it means that they will research on the agenda of their funders and not the agenda of this country. If I may quote Mr. Jawaharlal Nehru who was one time the Prime Minister of India, he told researchers: " We are poor that is why we must do research". We must do research for better innovative ways of pulling our country forward. India succeeded on that premise. What about us? We are not investing in research, instead we are hoping to come up with the generic issues imported from the West. That is what is dragging this country behind. I am very disappointed that a good amount of money was not allocated to research.

While I might be disappointed, I am also happy in the sense that on leather industry, at least a mention of Bungoma came up. I felt that, that was pulled directly out of my election manifesto to the people of Kimilili Constituency. I told them that I will develop some leather industry. I think, may be, we were thinking in tandem with the Minister for Finance or may be he plagiarised my manifesto, which is allowed.

Mr. Temporary Deputy Speaker, Sir, on the issue of the Youth Enterprise Development Fund, it is a very good thing to add Kshs500 million to the Fund, but we need to look at certain basics. How have we empowered the youth to benefit from this Fund? Indeed, the Kshs50,000 which any youth group in the constituency can borrow, when you go down to the ground, these youths have not been empowered to utilise these funds adequately to generate more income. Many of the youth groups have problems of repaying even Kshs50,000. There is an entrepreneurship centre at the Jomo Kenyatta University for Agriculture and Technology. I would have expected the Minister for Finance to fund more entrepreneurship units all over the country to educate our youth on how to utilise these funds for bettering their lot. You can throw money at poverty, but that poverty might not be able to utilise those funds adequately. I fear that, that is what the Minister might have done. I think he might have to correct this so that we have more entrepreneurship units in the country. This is because our education system does not teach our youths to be entrepreneurs. So, we have to teach them out of the normal education system. I expected the Minister for Finance to have put some money in the training of these youths first.

Mr. Temporary Deputy Speaker, Sir, the issue of funding football for our youth was long overdue. This is because, we, Members of Parliament, spend a lot of money trying to encourage sports among the youth. We put in Kshs10,000 here and Kshs50,000 there. So, the Minister for Finance did us a very good turn by allowing us to have Kshs1 million per constituency. But, again, this introduces inequality. If we take a constituency like mine with thousands of youths and you give me Kshs1 million, what I would be able to do for them is not the same that a constituency which has fewer youths will be able to do. Are we still not entrenching inequality? Let us have the Kshs1 million, but let us sit down again and see which constituencies have a larger population of youths and add them a little more money for football so that we introduce equality. This is because many parties campaigned on the platform of equity. Where is equity in the distribution of these devolved funds?

Mr. Temporary Deputy Speaker, Sir, the cost of food is very high. The Minister has tried to put in place mechanisms to reduce that. But, definitely, as the previous speaker said, this might not work because the businessmen will not follow that. But I dare say that the Government is the cause of the high cost of food. It is directly responsible! It is responsible in two ways. When Parliament first convened, I remember standing here when I was making my Maiden Speech and warned that we are going to face food riots unless we do something about the cost of fertiliser. Nothing was done until it was too late. Then, when they tax fuel---

With those few remarks, I beg to support.

**Mr. Maina:** Thank you, Mr. Temporary Deputy Speaker, Sir. I wish to contribute to the Motion on the Budget. Let me say that listening to the Minister reading the Budget Speech, there was a surprising statement which he kept making: "I hope by reducing this and this tax, so and so will turn to the benefit of the Kenyan people". I want to say that I was quite disappointed with that kind of approach. What Kenyans want to hear is a Budget that is addressing issues.

Mr. Temporary Deputy Speaker, Sir, today, we have some human beings who live in the most inhuman conditions. We have the Internally Displaced Persons (IDPs). Listening to the Budget, I heard very little efforts towards putting in place measures to get these problems solved. I think we know that, today, we have about 9,000 IDPs. These are people who were living somewhere. I expected that the Minister would come up with a certain amount of money to resettle these people. We should not hope that there are donors who will come to support us. The Budget fell short of this. So, I want to say that it is high time we had a Budget that addresses our issues.

Mr. Temporary Deputy Speaker, Sir, there is also the issue of taxing the salaries and allowances of hon. Members. Before I came to this House, I thought the salaries and allowances for Members of Parliament were just too much. Today, I know it is nothing because we spend all our salaries to meet the needs of our people. There is no need to expect us to do more than we are already doing. If it is agreed that we are going to be taxed, let the Minister bring the Bill to the House. It will follow the procedures of the House. But I want to say, truly, that this is playing politics with the minds of Kenyans.

Mr. Temporary Deputy Speaker, Sir, many Members of Parliament here know that the huge salaries that they are being said to be earning are just peanuts when you compare them with what we do. I can assure you that some of us have hardly put these salaries into our pockets since we came to this House, forget the money we spent earlier.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, there is the issue of raising the capital requirement for operating banks. Let me ask this question and I want Kenyans to hear me: Are we really serious that we want to return the resources and destiny of this country into the hands of the Kenyans? Why am I asking this question? The Minister for Finance says that today he will be raising the capital requirement for a bank licence to Kshs1 billion. We are all aware of the levels of poverty our people are in this country because of the poor economy. Then why does he think that there will be Kenyans who will sit down to raise Kshs1 billion, so that they can get a bank licence? Let this country not be led by a few cartels of international banks.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, Kenya has a few banks that are today not contributing to agriculture. In the 1960s, in this country every bank followed a certain Government regulation. They had to lend a certain percentage of money to the agriculture sector. The four main banks, as we know them today, can still do the same. They have even said that they will be lending money to corporates. Who will develop the agriculture sector in this country in order to solve the food problem? That can only be done if we get Africans running these institutions.

Mr. Temporary Deputy Speaker, Sir, it is high time this country came up with national virtues that will make Kenya develop. This country seems to be following policies that have very little to do with the indigenous interests of this country. This issue of the high capital base for setting up banks is just one of them. It is locking out Africans of dreaming of ever owning banks. I

beg the hon. Members not to support this idea of raising the operating capital base for bank licences to Kshs1 billion.

Mr. Temporary Deputy Speaker, Sir, I am an engineer by profession. The money allocated to the Ministry of Roads for infrastructure is extremely disappointing. I do not know whether hon. Members or Kenyans know from 2003 to 2007, out of the total amount of money that was spent on roads, 97 per cent went to non-Kenyan companies. That industry could have employed a lot of Kenyans, but it is unfortunate that only 3 per cent of that money was put to Kenyan companies. Companies come here and open offices, money is then channelled from New York to their offices in Germany. I heard nothing in the Budget or a proposal by the Minister towards encouraging our own people in setting up some of these companies. It is the trend and norm in this country. I stand to be proved right or wrong, that Kenya will not come out of the doldrums of poverty that we are witnessing unless we make a bold decision.

Mr. Temporary Deputy Speaker, Sir, last time when I was contributing in this august House, I quoted President Roosevelt. Today, I want to quote our first President who used to say that "Kenya is for Kenyans". He came up with policies that encouraged our people to start small industries. That is why we see some few Africans today standing up with some strength.

Mr. Temporary Deputy Speaker, Sir, on the issue of water, it is a pity that this country cannot feed itself. Zimbabwe which used to be a very prosperous country in agriculture gets rain only once a year. Kenya gets rain twice a year. However, Zimbabwe had perfected their irrigation. I see my friend here looking at me. I do not know if he knows that the land in Ukambani could feed this country. The money allocated for irrigation in this country is peanuts. Out of the Kshs10 billion we are using today to import food, if we had used only Kshs2 billion of it in Ukambani by building canals, maybe we would have had enough food today for our people.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, I keep wondering whether we are really serious. During the *El Nino* period, we got a lot of food surplus in Ukambani. I do not want to go into the issue of the first President. He swore in front of Kenyans that never again would Kenyans go hungry and he brought the Guaranteed Minimum Returns (GMR). In the following year, we all remember the *Standard* newspaper carrying a headline indicating that Kenya had a bumper harvest. Can we go back to those policies?

Mr. Temporary Deputy Speaker, Sir, we have a big issue with the youth. I expected more money to be allocated to them. Let me say again that it is very clear in my mind that unless this country goes the route of cottage industries, we will never come out of doldrums. We need to encourage our ordinary youth by giving them substantial amounts of money to start cottage industries. Unless we do that, this country is sitting on a time bomb. There are so many youth who are unemployed in this country. So, I expected, once again, the Budget to be more concerned and to do more in creating a real fund for the youth.

Mr. Temporary Deputy Speaker, Sir, once again, this country is putting more money into recurrent expenditure. Unless we change, we are in for big trouble. The only thing that will make it change is if we encourage Kenyans to go and initiate simple projects and carry them out. We should not be in a situation where all the laws in this country are bend towards discouraging and treating Kenyans unfairly.

Mr. Temporary Deputy Speaker, Sir, I am looking up to this Government to come up with policies meant to encourage Kenya to be more productive.

With those few remarks, I beg to support.

**Prof. Kaloki:** Thank you, Mr. Temporary Deputy Speaker, Sir, for this opportunity to

contribute to this Budget. First of all, I would like to thank the Minister for bringing a Budget that seems to be able to touch on good micro and macro economic policies which seem to be able to guide the country in the right perspective.

Mr. Temporary Deputy Speaker, Sir, there are some issues on the Budget which I would like to point out, especially on the infrastructure. As I was listening to the Minister, there are vital roads, especially the Kibwezi-Kitui-Ethiopia Road that seems to have been forgotten, or either the Ministry is still working on it. That road will help business people travelling to Mombasa. They do not have to travel all the way to Nairobi and then back to Mombasa. That region seems to have been forgotten and we need to prioritise it because the population there is high, and the economic development of the area depends on good roads and other infrastructure of the entire area, especially for connecting Ethiopia to the Port of Mombasa. That is an area we need to look at, especially in this financial year.

Mr. Temporary Deputy Speaker, Sir, regarding the issue of water, it is an area that we should look at again. The unequal availability of that commodity has to be looked at. The areas that deserve more water seem to have been left out, especially at this particular time when we are trying to import food to this country. There are some areas, like Kibwezi, my constituency, where we have major rivers like Mzima Springs which are close to my constituency and Umanyi Springs, which are within the constituency. These springs can enable the entire Ukambani region to be irrigated. We also have Athi River. When I was listening to the Budget the Minister was silent on some of the areas, where we can have water not only for drinking but also for irrigation, so that we can help people, create employment, handle the issues of the youth through employment, and also create incomes for the people in those areas, where poverty is high.

Mr. Temporary Deputy Speaker, Sir, I have heard many of my colleagues talking about this. We want to make credit available. We want to make it cheap. We want to make sure that people can access money to invest and pay school fees. This is not the time to make money expensive by increasing the required capital for banks from Kshs250 million to Kshs1 billion. That is too high. The net result is to make credit expensive. In other words, interest rates and other bank charges will go up. That will be discouraging people from borrowing and investing at this time when we are trying to get the economy moving. So, we are trying to make credit available to everybody in an inexpensive way. We have to look at that, because it is discouraging and it is also going to close down some economic areas, where business people are relying on banks. The net result will be to make credit expensive, create discouragement and also cause unemployment, which we are trying to deal with.

Regarding electrification, there are areas where we need electricity. If you move from Nairobi to Voi, there are many areas which have been neglected and are in total darkness. As the Minister sits down and tries to come up with which areas and districts to light up, we hope that this time there will be equality in the provision of rural electrification.

Mr. Temporary Deputy Speaker, Sir, there is massive unemployment among the youth in this country. We have to find a way of addressing the issue of the youth through training and attracting foreign direct investment, so as to address the issues of youth unemployment and training. We believe that we will be able to work together here as Parliamentarians, and will be able to look at that issue afresh. While we appreciate the Kshs1 million allocated to the youth for soccer to keep them busy and make them forget the reality that they have no income, we need to do a little bit more. We need factories to be established in every constituency to create employment and incomes to the youth. That problem is not only in Kibwezi but in every constituency. We need to construct factories to solve the problem of mass unemployment.

Regarding the area of health, we talked about nurses. If you look at the clinics throughout this country, you will find that there are no nurses. We should debate this here and increase the

number, especially in this financial year, to 3,000 because the 1,500 to be employed is too low. There are many clinics which lack nurses and that results in problems when assisting the sick throughout the country.

In conclusion, I would like to look at the issue of establishing new universities in this country. I was expecting the Minister to address the issue; we could begin by establishing one university in every district to solve the problem of lack of training for the youth. You will find that many universities are concentrated in one region, yet other regions do not even have one university.

With those few remarks, I beg to support the Budget Speech.

**Mr. Mututho:** Mr. Temporary Deputy Speaker, Sir, in supporting this Motion, I first of all would like to say that I was disappointed by the strategy the Minister for Finance adopted in sorting out poverty, particularly in the rural areas. It is a fact that those Kenyans who are privileged in northern and western Kenya, parts of Eastern Province and most of the central Kenya, particularly around the squatter areas and areas occupied by farm workers know that those people live in absolute poverty. This Budget fell short of addressing that. There are no specific measures or anything that can be traced that has been proposed that could improve their livelihood.

I would have thought it useful if the Minister followed the Dubai model as a business strategy. It is a fact. We know it, and everybody knows that the Dubai model was actually meant to be in Mombasa. They only changed the name from Mombasa to Dubai. What I am trying to say is that if you developed Mombasa into a free port, and ensured that 51 per cent shareholding of all companies that trade within that free port is Kenyan, that way you would have immense wealth coming in and being translated into national development.

Mr. Temporary Deputy Speaker, Sir, in 1998, those who travelled to Dubai know that it took us over three hours to board a plane to Singapore, because their airport was worse than ours at Mombasa in terms of size. Today, you cannot even compare. It is like they are in the First World while we are going down to the Third World. Those are the kind of things that the Minister should have focused on. Kenya developed primarily due to two things: First when we constructed the Jomo Kenyatta International Airport (JKIA), it was the best in this region; it was better than those in Singapore and the Far East Asia. Secondly, there was the Kenyatta International Conference Centre (KICC) before the Jogoo party took it over. Those two combined and promoted tourism to the extent that the smaller hotels along the Coast and the Maasai Mara were able to flourish. We need such infrastructure, which will allow the investors to come in and put money here. People cannot just come and here invest money for no apparent reason. In Naivasha we had the ground satellite launched. That concept should be developed again, so that all the information and communications technology (ICT) and telecommunications industries are developed in the region. That would be a multi-billion shilling industry. If that is done, then our Budget will grow into many trillions of shillings, and many Kenyans will benefit.

Mr. Temporary Deputy Speaker, Sir, it is unfortunate that those who produce do not benefit. There should be benefit sharing. The Nairobi Water Company or whoever draws water from River Ndakaini must find a way of taking back some money to the people who live around it. That is because those people are subjected to a new environment which is very cold and uncomfortable. They have to meet higher health bills. They do not like water. It is not something that they do as a hobby. There are costs. So, those people who benefit from that water must also share that benefit with other people. The same applies to the geo-thermal power plant in Naivasha. It is good because it is producing so many megawatts of power. That is fine and great. But the hydrogen sulphur which comes together with that vapour is also damaging the lungs of the local people. So, the people around Lake Naivasha and the geo-thermal power plant should also benefit from the total turnover from KenGen and the geo-thermal plant. That is benefit sharing.

Mr. Temporary Deputy Speaker, Sir, the neighbours of national parks are the ones who are eaten by hyenas and lions. There should be direct benefit to the people. That way, we will increase peoples' wealth.

Mr. Temporary Deputy Speaker, Sir, I want to make some comments regarding the agriculture sector. Let us admit that the reason why we are not feeding ourselves and many Kenyans are dying of starvation is because of poor planning and implementation of agricultural policies, haphazard research and implementation of grossly irrelevant agronomic principles to an extent that, those who import fertilizers just import that word "fertilizer." When they say that they are importing 1546 DAP fertilizer, no one checks to know where that fertilizer will be applied. Subsequently, we have a situation where soils have been damaged extensively and, therefore, production cannot occur. It is not rocket science that when there is rain, there is plenty of food in Ukambani. Surely, with all the amount of water we have in Tana River - and that is where we generate electricity - why can we not just simply pump clean water to the hills of Mwingi - which are adjacent - and provide the Kambas with water to do irrigation? We do not want to hear that the soils are not good. If, as a fact, when there are rains, there are ample foodstuffs, then let us have the ample harvest everyday by doing proper agriculture, drainage and irrigation.

Mr. Temporary Deputy Speaker, Sir, security is paramount. Even if we double the budget for our Police Force without changing the whole philosophy and thinking about our security, it will not be correct. If you go to the United States of America (USA) - and most of you have been there - in a scene of crime, about ten or 20 officers will come driving their own cars and there is no restriction. If you are involved in a skirmish somewhere like Naivasha, the Officer Commanding Police Division (OCPD), District Criminal Investigation Officer (DCIO), and, maybe, the District Commissioner (DC) will share only one Land Rover. Then you will know that within a radius of 140 kilometres, only one car will be coming; a Land Rover owned by either the DC or the other officers. That cannot control crime. That is not a good environment for investment. I think that the Minister - and he should be listening wherever he is - should now come up with a policy where police officers, particularly above the level of Corporal, are able to import cars duty-free as long as they are gainfully employed to combat crime and used for normal policing. That may cost the Exchequer nothing, but it will make Kenyans benefit immensely in terms of security. That is a very serious matter.

Still talking about the police, I, sometimes, think they shoot to kill out of frustrations. They direct their frustrations to the wrong people; the citizens of this country whom we represent here in this honourable House. What they should do is send their frustrations to their seniors who should in turn, direct them to the Minister for Finance, who is making piecemeal provisions for their welfare.

Having said that, I would like to add that this year's Budget was completely irrational in terms of equal distribution of resources within the Ministries and even regions. For instance, Nakuru has six constituencies and several District Commissioners (DCs). They are all lumped together as Nakuru District. Obviously, the Minister for Finance knows that there are four or five DCs. There is a DC in Naivasha, Molo and Subukia. Why would the Minister assume that all those DCs operate at the District Commissioner's office in Nakuru? The only reason I can think of is that he is not willing to put appropriate budgetary provisions in all the aspects as far as the budgetary allocation is concerned.

Mr. Temporary Deputy Speaker, Sir, while winding up, I want to support this Motion because of one reason; that, at least, the Minister woke up from his slumber and noted that we need equality, fair distribution of resources and that there are poor people here who need to be addressed.

Mr. Temporary Deputy Speaker, Sir, I beg to support.

**Mr. Ethuro:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this

opportunity to contribute to this Motion. I would like to say from the outset that I support the Motion not because it is good, but out of desperation! It is because there is not much I can do about it, except to ventilate. In fact, we should start with the procedures of this House. There is no point of talking about something that you cannot do anything about. For the next two weeks, we will be talking and talking.

Maybe, before I talk about my frustrations, let me commend the Minister. I think as he admitted, it was a very difficult Budget. Indeed, the challenges this time round were quite heavy and difficult. I am actually surprised that he has even contemplated an increased Budget. I wish him well.

I also want to commend Kenya Revenue Authority (KRA) for continuing to raise our money. But until we tackle the issue of corruption, which we do not seem to be taking seriously in this country--- We are in a position to raise even more money, if there was less corruption in our society. The Minister, of course, has conveniently ignored that, for reasons that we can only speculate.

The Minister has attempted to pacify this nation by claiming that he is focusing on the youth and unemployment. In addition, he claims to be dealing with issues of rising prices by cutting down the tax on wheat imports. That is a typical story. Where I come from, even bread is not an option. The only food that we eat - and which is the staple food of this nation - is maize. So, when you are tackling poverty among people, you should address yourself to the issue of maize. Increasing the strategic grain reserves to 8 million bags in a period of two or three years is not one way of going about it. If he could do what he has done in terms of fertilizer, where the National Cereals and Produce Board (NCPB) is mandated to purchase and sell fertilizer, then we are going to stabilise the prices. That is what I expected the Minister to do even in terms of maize, where the Government can actually import maize and flood it in the market. The supply will drastically change the price of the commodity.

Mr. Temporary Deputy Speaker, Sir, Kshs100 million towards sports in every constituency totals up to Kshs210 million. I know people in this country will be excited about that. However, how do you expect people to go to play when they are hungry? Could we not find better use for that money; say, by putting in place a food-for-work programme or cash-for-work programme, so that our youth can actually engage in productive ventures at the same time we are giving them some cash injections. It is not just about promoting Nairobi Sports House or some other company that will be producing the equipment to be bought. We need to get our priorities extremely well. I think the Minister is just playing to the gallery and also playing politics when he should really be serious with the problems that affect this nation.

This country is faced with inflation of 31 per cent, which is the highest ever. How is he tackling that? This country is also faced with high fuel prices. He did not touch on anything about the VAT so that it could help in terms of reduction of prices. If VAT is reduced, then the price of fuel might come down. This is what we need to do. We need to create an enabling environment so that Kenyans themselves can engage in meaningful development.

Mr. Temporary Deputy Speaker, Sir, the four priority areas that the Grand Coalition Government is committed to include improving our economy, creating employment, reducing poverty and deepening our human development. I see this Budget leaving out the northern part of Kenya. It is talking about deepening human development. How do you deepen what you do not have? Connectivity is an issue. Mobile phone services do not exist along the highway between Lodwar and Lokichoggio. The Minister, in his own admission, has actually said that since Independence, the northern part of Kenya has been marginalised. It was not being recognised even though he appreciates the potential in terms of fisheries, agriculture and tourism. But what does he say? He says that the newly created Ministry of Development of Northern Kenya can only do co-

ordination with Kshs2.4 billion. He has also given another Kshs2 million for projects within the Ministry and Kshs900 million for the construction of Garsen-Hola Road. We know how much is spend on one kilometre of tarmac in this country. Will Kshs900 million even build ten kilometres of tarmac along the Garsen-Hola Road?

I was really excited when the Government created this Ministry. Even yesterday when the Deputy Leader of Government business was moving this Motion, it seems that the mindset of this Government is that the northern part of Kenya is North Eastern Province. This is a matter we are going to pursue because it is completely misleading and erroneous to assume that the northern part of Kenya, which includes North Rift Kenya, Upper Eastern Kenya and North Eastern Province as important as it is. You cannot reduce that Ministry to a North Eastern Province development Ministry. While you cannot even define the matter properly, what confidence should we have that this Government is serious with northern Kenya or is it another wish that they are approaching Somaliland?

Mr. Temporary Deputy Speaker, Sir, with regard to CDF, the Minister recognised its importance by saying that it has governance challenges. What governance challenges are in CDF that are not in the Central Government? Is that the reason why after raising enough revenue--- The law is very clear that CDF should be allocated 2.5 per cent as the minimum percentage. Out of the revenue that was generated, we expected CDF to be given Kshs11.6 billion. The Minister went ahead to allocate the same figure of last year, that is, Kshs10.1 billion. I want to give notice to the House that this is a matter that the Minister should be prepared to face because he has broken the law and he cannot get away with it. If there is any money we can account for, then it is the CDF money because it goes to each and every constituency.

If you look at the allocations, it seems, and this is why we really have to work hard on the issue of Cabinet size--- If you asked the hon. Member for Gwassi today, he will tell you that Mbita headquarters was being constructed, but Gingo Headquarters was not being constructed because there is a Minister who comes from Mbita and not Gingo where the Member of Parliament for Gwassi comes from. If you look at the amount of money allocated to roads, there is such a relationship between the Minister and the money set aside for the construction of roads. This is to the extent that Kapenguria-Lake Turkana Road, which is our access to Sudan, was not allocated a single shilling. Sudan is a market that is ready for Kenyan commodities and products. It is a market that we can tap and increase our Gross Domestic Product (GDP) threefold.

Mr. Temporary Deputy Speaker, Sir, Uganda has taken advantage of this situation whereas Kenya played a major role in terms of bringing peace in Southern Sudan. Why can we not take advantage of that peace and have these dividends? I demand that the Minister should re-allocate this Budget to consider this extremely important road which requires only Kshs6 billion to be constructed. That way, we will not only promote economic growth in the northern part of Kenya, but also the entire country by accessing Southern Sudan.

The malnutrition rates are very high in Turkana. It is almost 28 per cent. The level of poverty in this particular district is 94.9 per cent. This is data that the Minister is alive to. However, when you look at the allocations within the Ministry of Development of Northern Kenya and other Arid Lands, not a single project is for Turkana District. When you look at the projects that are meant to reflect regional balancing, that is, the Small and Medium Enterprises (SMEs) which are supposed to improve growth, you can only find fish processing factories and leather industries in Kisumu, Homa Bay and Migori, as if there is no Lake Turkana.

I support this Motion because there is really not much I can do about this.

**Mr. Affey:** Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to also add my voice to this very important Motion before us.

I have extreme reservations about the contents of this Budget. I give the Minister for

Finance the benefit of the doubt because in his Speech, he said that the first two months of this year were a trauma for this country. He said that substantial work was slowed down because of the post-election violence that we had in this country. That begs the question, therefore, that we, as leaders, need to be conscious of the fact that every aspect of our lives in this country will contribute to the growth or decline of growth in this country. So, even though politics come to the fore every five years when we have elections in this country, we should be careful in the future not to jeopardise the Kenyan State because of seeking absolute political power.

Mr. Temporary Deputy Speaker, Sir, I listened to the Minister speak about what this year's Budget meant for the people of northern Kenya. First of all, we congratulate the Government for initiating the Ministry of Development of Northern Kenya and other Arid Lands. It is a good starting point, but it is not sufficient. When this was conceived and the Grand Coalition Government came up with this idea, there were celebrations all over the region, that is, the northern Kenya and other arid lands of this Republic. There were celebrations because they thought that, for the first time, there was desire by the Kenyan political leadership to see how the lives of these people could change.

Mr. Temporary Deputy Speaker, Sir, I must confess that what the Minister set aside in his Budget is an anti-climax in the region. The Budget did not reflect the political commitment given to the people during the campaigns of the general election, and after the formation of the Grand Coalition Government. Northern Kenya, and other arid lands, will remain a permanent scar in the conscience of the Kenyan people unless we translate the political statements to reflect reality.

Mr. Temporary Deputy Speaker, Sir, on the issue of the Ministry of Development of Northern Kenya and Other Arid Lands, which, as Mr. Ethuro has said, does not only cater for North Eastern Province but for all the regions of this country that are arid and semi-arid, the Minister had the audacity to announce Kshs2.4 billion as an allocation to that Ministry. If you look at the needs *vis-a-vis* the required resources, Kshs2.4 billion can only be considered to be recurrent expenditure. There is not a single capital project the Minister has identified for the semi-arid regions in this country. The reason is because neither the Minister nor the staff of the Ministry of Finance have had an opportunity to visit these parts of the country. Only when you visit the North Eastern Province, when you see the needs of the people, then can you factor them into the Budget. But it looks like this particular budgetary allocation was made in the board rooms of the Treasury, without any attempt to go to the ground to discover what the people in that part of the country require. Therefore, I demand and request the Ministry officials, as they plan, to make the Ministry of Development of Northern Kenya and Other Arid Lands relevant to the people of this region. They should re-allocate the Budget.

Mr. Temporary Deputy Speaker, Sir, I thought the Minister would go further, because there are no statutes regulating this Ministry. I thought he would go ahead and say that, because of the new found political commitment to help this part of the country, there would really be a particular law defining this Ministry in order to tell us how much we expect every year. If we came up with an arrangement similar to what we have for the Constituencies Development Fund (CDF), a certain percentage of the Consolidated Fund would be going to meet the needs of the people of northern Kenya and other arid lands; perhaps, we would then feel that we are beginning to catch up with the rest of the country. Even though we thank the Government for thinking about this as a first step, it requires an elaborate measure to make sure this Ministry is relevant.

Mr. Temporary Deputy Speaker, Sir, the Minister talked about the issue of roads, a very critical issue. The only tarmac road that we know of in North Eastern Province is a kilometre of tarmac into Garissa District. None of the roads in the whole province of over 1,500 kilometres, from Garissa all the way to Mandera, is tarmacked. We are beginning to appreciate what is going on. But I would like to request the Minister, even as the road works are being done in the province,

to be careful about the contractors given these assignments. It is not that money is not going to the North Eastern Province. Perhaps, if we visited the Ministry of Finance we would find some figures there. But there is no impact on the ground. We, therefore, need to see how the road network in this part of the country can be upgraded fairly quickly in order to allow our supplies and animals to move very quickly to come to this part of Kenya.

Mr. Temporary Deputy Speaker, Sir, the decentralization of the Kenya Meat Commission (KMC) is important. We have, on many occasions, asked the Government to decentralize this particular service. The KMC is located in Athi River. Camels, goats and sheep get to the KMC after travelling 1,500 kilometres. By the time these animals reach the KMC, they will have lost several killogrammes. Therefore, they fetch lower than they would have if the KMC was established in Wajir District, for instance. I want to suggest that a plant be established in Habaswein District, because it, apparently, can service the entire province. If we establish a meat processing plant in Habaswein District, it will be able to assist the people of North Eastern Province. The idea is to improve the livelihood of our people, reduce the level of poverty and increase the amount of money people have got in their pockets. The Minister said that this year's Budget is meant to reduce the gap between the rich and the poor; it is to reduce inequality in the country. There is no way we can reduce inequality when all the service industries are in and around Nairobi. So, we would like to request the Minister to provide funds to decentralize the KMC.

Mr. Temporary Deputy Speaker, Sir, the Ministry of Water and Irrigation is a very critical Ministry for us, outside that of the Ministry of Development of Northern Kenya and Other Arid Lands. The North Eastern Province is not entirely dry. We have substantial amounts of underground water. If there are enough resources provided to this Ministry, perhaps, we could do more irrigation in our area and get more people to do farming that can be combined with the pastoral lifestyle that we have.

Mr. Temporary Deputy Speaker, Sir, on the issue of the constitutional review process, perhaps the Minister has a way of funding this process. Everybody in this country is looking forward to the constitutional review. I did not hear a single word of reference by the Minister for Finance to this very critical process, because this is what we require. The Minister talked about the post-election violence. A lot of people in this country believe that if a proper review of the Constitution is done, and the resources in this country, both political and economic, are diversified - that can only come through the constitutional guarantees and the review that we wanted to undertake - we can achieve the stability and peace that we desire in this country. I want the Minister to take this matter very seriously, in conjunction with the Ministry of Justice, National Cohesion and Constitutional Affairs, and bring a Bill fairly quickly to Parliament, so that we can have a new constitutional dispensation in this country.

Finally, Mr. Temporary Deputy Speaker, Sir, unity of the coalition Government is critical for this Budget to succeed. If the coalition partners begin to quarrel about petty politics, I have a feeling that we might not be able to see the desired results that this Budget intends to give us. Therefore, I would like to appeal to Parliament and the leaders of this country to reconcile our people, so that this country can be peaceful and remain an example to the rest of the world, as it has always been.

I beg to support.

**The Minister for Foreign Affairs** (Mr. Wetangula): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to also make my modest contribution to the Budget Speech. As I support the Budget Speech, I want to once again begin by lauding the leadership of the country, and hon. Members, for bringing peace and relative stability to the country. I want to thank my colleagues, who were recently elected in the by-elections, to fill up the seats left vacant by our departed colleagues and the seat left vacant following the election of the Speaker. I equally

want to take the opportunity to send my condolences to the families, relatives and friends of our two colleagues who perished in a tragic air crash, an incident that occurred while I was away in Addis Ababa for a meeting.

Mr. Temporary Deputy Speaker, Sir, as we embark on the road to economic recovery after the upheavals that followed the elections, it is, indeed, gratifying that the Minister for Finance has seen it fit to allocate, not enough, but reasonable funds to the Ministry of Roads for rehabilitation, construction and re-construction of our road network. Way back in the 1890s, the colonialists who came to this country had a vision and a foresight that to run an economy anywhere, you must have a proper functioning transport system. That is why the colonial masters were able to construct a rail line from Mombasa, Kisumu, Kampala, Nanyuki, Magadi, Moshi and everywhere. That rail line has been the backbone of our economy for a long time. Over the years, and due to neglect, lack of repairs and maintenance, we have now lost the capacity to use the rail line as we should. Indeed, as I travel around the region, one of the major concerns of our neighbours, Uganda, Rwanda and Burundi is our lack of capacity to move stocks from Mombasa to the hinterland, which they rely on. I want to urge the twin Ministries of Transport and Finance to find ways and means of revamping our rail ways; to find ways and means of, if possible, laying new heavier-gauge rail lines, so that we can move stocks faster and in greater quantities to our landlocked neighbours.

We also need to get organised even if it means borrowing money offshore or syndicating internal money. You recently saw how much money Kenyans can rise to the occasion to put together when Safaricom rolled out the Initial Public Offer (IPO). We can float shares and develop a rail line from Mombasa to Addis-Ababa. That, as you know, will serve a landlocked country with 80 million people. The second largest country in Africa in terms of population happens to be our neighbour, landlocked and looking for an exit to transact its international trade. The little connection that Ethiopia has with Djibouti is hardly adequate to serve that economy. The ingenuity of the Kenyan leadership through the Ministries of Finance and Transport can bring enormous resources to this country. Such a line will, needless to say, open up our North Eastern Province and northern Kenya because it will invariably either run from Nanyuki where we have the end line from the colonial deal line or run straight from Mombasa through Garissa, Moyale to Addis-Ababa.

Mr. Temporary Deputy Speaker, Sir, such a line would also save our roads. I am dwelling on infrastructure because it pains all of us; the leaders, taxpayers and ordinary Kenyans, to see that every five years or so, we embark on re-constructing roads that we would have sustained if we only maintained them through repairs. We are now busy re-constructing the road from Mombasa to Uganda, either through Kisumu, Malaba or both. Those roads would have lived and survived through the ages, if only we had regular maintenance facilities. Without a proper road network, we cannot talk of growing rural economies or achieving our desired goals of 10 per cent annual growth. We cannot talk of developing each and every part of this country as equitably as we have committed ourselves to do. I want to urge that the Committee of Parliament charged with the responsibility of oversight to these critical Ministries responsible for infrastructure and development, to also be extra active; to not only see that the funds we give to the Ministries are put to good use, but that the targets that are set are met. If we have committed ourselves to construct a road in a year, let that road be constructed in a year.

Mr. Temporary Deputy Speaker, Sir, the Budget has also paid attention to the question of the youth, although the figure and the sum of money allocated to them is inadequate. The Ministry of Finance should liaise with commercial banks, so that the Kshs1 billion that was put into the Youth Enterprise Fund the previous year, and the Kshs500 million allocated for the Fund this financial year, can also be augmented by commercial funds available from commercial banks at concessional rates of interest, so that we can be able to engage our young population in economic activities. You know how difficult it is to go to any bank to borrow money. We need systems that

are cheap, easy and user-friendly, which can be able to assist our young population with entrepreneurial skills to access funds for business enterprises.

A lot has been said about the issue of constitutional review. As a Member of the team of eight that has been involved in mediation, I am now being involved in paving the road map for constitutional review. I want to laud the team. We have finally concluded rolling out drafts for amendment of the Constitution to anchor the review, and for an Act of Parliament to steer the review process, so that we can achieve the goals that we set and give the country a new constitution in the shortest time possible and, in any event, not later than 12 months' time. Twelve months' time should be seen within the context of the time we bring the Bills to Parliament. We will count from that time and deliver a new constitution, as we promised.

Mr. Temporary Deputy Speaker, Sir, I know that in the Minister's Financial Statement he has not allocated money for this process. However, you also know that the route we are taking is the least-cost route. We will not go back to the Bomas of Kenya with a large number of Kenyans; that will be costly. The referendum, which will be the ultimate event in the process, is likely to come to the country in the next financial year. If that will be the case, then Kenyans should not unduly worry that there is no money in this Budget for constitutional review. This is because the steps we are taking can be covered by the Parliamentary Budget, the Ministerial Budget, as well as from special funds we can source from within Government.

Kenyans must be assured that for a new constitution to be delivered to this country is not an option, but a must.

Mr. Temporary Deputy Speaker, Sir, thank you for giving me the opportunity.

**Mr. Ruteere:** Mr. Temporary Deputy Speaker, Sir, I stand to support the Motion. I feel that we over-emphasise some issues when we are faced with some situations. If this country is hit by famine, funds become immediately available, but there are no funds to prevent that famine from occurring. Currently, we are talking about billions of shillings for the importation of maize and the provision of relief food, whereas, if we had prevented the famine from recurring, we would not be faced with the problem of famine which we are spending money on. Irrigation dams have not been dug. Little is being done in the country to construct more irrigation dams or to harvest rain water which goes to waste into the ocean. Rain water erodes most of the fertile soil on our land. It is time we started harvesting rain water.

We also need to ensure that our road network is well maintained. Majority of the roads that our farmers use are access roads that are in need of grading to make them all-weather roads and not necessarily by tarmacking them, but by murraming them. I have not seen any improvement in the rural areas. When farmers harvest and it rains, their produce rots and goes to waste. It becomes completely impossible to transport the produce to the market on time. This causes the kind of problems that we are having now.

Mr. Temporary Deputy Speaker, Sir, on security, the Minister said that he has allocated enough funds to upgrade the police equipment and housing. I did not hear the Minister talk about the Prison Department, which recently had problems. I thought that it would have been given priority because the two should go hand in hand. When the Police Force is being looked into, the Prison Department should be looked into, so that the left hand does not feel that the right hand is being favoured. They should be taken care of equitably. Police posts should also be properly manned. Some of them should be up-graded and provided with the right personnel. There are some police posts where you have one rank of officers manning them. You will find four or five constables in a police post and nobody is above the other. None can command the other or take orders from the other. Our police posts should be properly manned.

On politicking, I think we have hangovers from the last year's general elections. We have just started business in this House. This is our first Budget, but some people are campaigning for

2012. The public out there is wondering what is happening. It is like the mandate that we were given by the public has not yet been taken seriously. We should deliver and then go back to the public, so that they can audit to see whether we are worth coming back or whether they need to give us red cards to go home, so that whoever wants to be elected to the next Parliament can start campaigning. The earliest that can start will be 2011.

We are talking about the constitutional review, which we do not know what will come out of it. May be those who are saying that they have the drafts are the ones who are spearheading the campaigns because they know what is entailed in the drafts. Those drafts should come out quickly, so that we can know that nothing is being hidden from us. If it is necessary to campaign, we can go into the campaigning mood. It is not good for one group to start campaigning when the other groups are not campaigning. I think we are misleading the public and breaking the confidence that they have bestowed upon us.

Mr. Temporary Deputy Speaker, Sir, all areas of this country should be opened up for tourism. The Meru National Park should be looked into in a more comprehensive manner because it is the best tourist attraction site in the eastern part of this country. The infrastructure in the area should be improved, so that tourists can access the park. Security should also be improved, so that tourists are secure. The few insecurity incidents in the area are very discouraging.

Mr. Temporary Deputy Speaker, Sir, to employ 6,000 more teachers for both secondary and primary schools is a drop in the ocean. The country needs over 60,000 more teachers. The shortage is very acute, yet we are being told the Budget is catering for only 6,000 more teachers. That is ten per cent of the country's need. What is going to happen to the rest when there is so much unemployment? I think the Minister should look for a way to ensure that this country's institutions have teachers. It is the responsibility of the Government to give institutions teachers. Or else they should come out and say, "We are unable; let the parents come in".

Mr. Temporary Deputy Speaker, Sir, the parents may not agree to employ teachers, because the Government has taken it upon itself to employ them. Therefore, it is very necessary that the teachers they have promised to employ for primary and secondary schools and the technical training institutions are given.

Mr. Temporary Deputy Speaker, Sir, the population in towns should match the services provided. I find it odd that a town like Meru Municipality does not have a proper sewerage system. Makutano area of Meru Municipality has no sewerage system at all. It is a town that has sprang up because of the business and peace that has been in Meru. Everybody has run to Makutano. Even getting land to buy in Meru is more expensive than in Nairobi. It is time the town was planned properly. I appeal for more funds to be given to that part of the country, so that the sewerage system is done in order that we are not, at any time, endangered by any attacks by epidemics due to lack of proper planning.

Mr. Temporary Deputy Speaker, Sir, the Kshs500,000 to be added to the Youth Fund for the 210 constituencies is very little money. The youth are the majority of the people without jobs. They are the ones who are trying to enter the job market. They want to start businesses. Some of the institutions through which this money is channelled take a long time to disburse it. They make it very difficult for the youth to get the money.

Mr. Temporary Deputy Speaker, Sir, it is my humble appeal that this money be channelled to institutions that will channel it to the youth, and not to ones that were previously given the money---

**ADJOURNMENT**

**The Temporary Deputy Speaker** (Mr. Imanyara): Order! Mr. Muriuki, you will have three more minutes in the afternoon.

Hon. Members, it is now time to interrupt the business of the House. This House is, therefore, adjourned until this afternoon at 2.30p.m.

The House rose at 12.33 p.m.