

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 9th June, 2005

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

### PRAYERS

### COMMUNICATION FROM THE CHAIR

#### LIMITATION ON QUESTION TIME

**Mr. Speaker:** Order, hon. Members! I would like to remind you that we will finish with Question Time by 3.15 p.m. because we have several Procedural Motions. We must begin the main business at 3.30 p.m. Could we proceed with that understanding?

### QUESTION BY PRIVATE NOTICE

#### LEGAL STATUS OF AUSI

**Mr. Leshore:** Mr. Speaker, Sir, I beg to ask the Minister for Education, Science and Technology the following Question by Private Notice.

(a) Is the Minister aware that many young Kenyans have enrolled at Australian Study Institute (AUSI) based in Nairobi in the hope of joining Australian universities?

(b) How many have, so far, joined any of the said Australian universities?

(c) Could he also state the legal status of AUSI which is currently offering pre-university courses?

**The Assistant Minister for Education, Science and Technology** (Dr. Mwiria): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that many young Kenyans have enrolled at the AUSI in the hope of joining Australian universities.

(b) Six hundred students have so far

joined AUSI. Out of this number, 85 per cent of 510 students have proceeded for further studies in Australian universities.

(c) The AUSI is registered by the Ministry of Education, Science and Technology as a vocational training institute in accordance with Section 15(2) of the Education Act, Cap. 211.

**Mr. Leshore:** Thank you, Mr. Speaker, Sir. I am satisfied with the answer the Assistant Minister has given. However, how many of these students has the Ministry of Education, Science and Technology given partial or full scholarships?

**Dr. Mwiria:** Mr. Speaker, Sir, that question is not related to this Question. However, we have assisted some of those students with bursaries, but I was not required to provide that data today.

**Mr. Speaker:** That is correct! Very well.

## ORAL ANSWERS TO QUESTIONS

*Question No.293*

### ENFORCEMENT OF MODOGASHE DECLARATION

**Mr. Ngoyoni** asked the Minister of State, Office of the President:-

(a) whether he is aware of the existence of

Modogashe Declaration, signed among the pastoralist communities in northern Kenya in the year 2001; and,

(b) if the answer to part "a" above is in the affirmative, what he is doing to enforce it.

**Mr. Speaker:** I am sorry, Mr. Ngoyoni! The Assistant Minister, Mr. Kingi, called me last night and told me that there is a bereavement in the family. He had to go to Mombasa immediately. So, he requested me to defer your Question to Tuesday next week.

**The Assistant Minister, Office of the President** (Mr. Shitanda): Mr. Speaker, Sir, I have an answer to this Question.

**Mr. Speaker:** That is very good!

*(Applause)*

**The Assistant Minister, Office of the President** (Mr. Shitanda): Mr. Speaker, Sir, I beg to reply.

(a) I am aware of the existence of the Modogashe Declaration.

(b) In enforcing the declaration, I have directed the members of the respective District Security Intelligence Committees (DSCs) to work closely with peace committees of elders to ensure that all the stolen animals are recovered and the culprits arrested and arraigned in court.

In addition, I am also instituting disciplinary action against chiefs in whose areas stolen livestock is driven to and no action is taken. It should also be noted that a number of chiefs have been interdicted, suspended and some dismissed due to their inaction.

Lastly, security agents on the ground have been directed to pursue the cattle rustlers, recover stolen animals, arrest and arraign the culprits in court.

**Mr. Ngoyoni:** Thank you, Mr. Speaker, Sir. I asked this Question a while ago and we had a meeting in Garissa three weeks ago which came up with a new accord on the Modogashe Declaration. In the spirit of that accord, I need not pursue the Question further.

**Mr. Leshore:** Mr. Speaker, Sir, I understand that this is a Modogashe Declaration. Were the Samburus involved? According to my friend, Mr. Ngoyoni, they were in Garissa. I do not know whether any hon. Member of Parliament from Samburu District attended the meeting.

**Dr. Ali:** Mr. Speaker, Sir, the Modogashe Declaration is incomplete. We should not be misled by the Assistant Minister. I was at home when these gentlemen met in Garissa and I did not know anything about the meeting! If Mr. Leshore and I were not involved in this declaration, who was involved?

**Mr. Speaker:** Order, hon. Members! Dr. Ali, why did we go to Mombasa to study the Standing Orders?

**Dr. Ali:** Mr. Speaker, Sir, I was also not in Mombasa!

**Mr. Speaker:** Dr. Ali, you should not be a specialist in absenteeism!

*(Laughter)*

**Mr. Sasura:** Mr. Speaker, Sir, the Modogashe Declaration is a local arrangement by the pastoralists to make their areas safe. Since some of the provisions in that declaration are not in tandem with the existing laws, what should we do? For example, in that declaration, the Samburus said that according to their culture, they do not pay for dead women. Could the Assistant Minister clarify what we should do in such a situation because that declaration might not work?

**Mr. Speaker:** Mr. Leshore, is that so?

**Mr. Leshore:** It is true, Mr. Speaker, Sir.

*(Laughter)*

**Mr. Shitanda:** Mr. Speaker, Sir, the Modogashe Declaration was a mutual understanding among the communities which are involved in cattle rustling activities. This declaration has no basis in law. In as much as the Government tries to facilitate its implementation, we are constrained by the existing laws and cultural beliefs of the communities which are involved. So, it is all about goodwill among the involved communities.

**Dr. Khalwale:** Thank you, Mr. Speaker, Sir. When we read reports about insecurity in most parts of this country, a defining characteristic is cattle rustling. Does the Assistant Minister plan to bring any amendments to the Penal Code so that cattle rustlers face enhanced sentence to serve as a deterrent?

**Mr. Shitanda:** Mr. Speaker, Sir, the Government is currently disarming the so-called "cattle rustlers" or communities in whose areas cattle rustling activities take place. We strongly believe that the disarmament exercise will minimize greatly cattle rustling activities. Legislation will be addressed if this initiative does not bear the desired results.

**Dr. Ali:** Mr. Speaker, Sir, while the Assistant Minister is doing the good work of disarming the communities which are involved in cattle rustling, what does he intend to do with the other cattle rustlers across our borders? Is he disarming his community so that he can attend their funerals the following day?

*(Laughter)*

**Mr. Shitanda:** Mr. Speaker, Sir, the Government is disarming the communities which are involved in cattle rustling. It has also beefed up security along our borders.

**Mr. Moroto:** On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to mislead this august House that the Government is carrying out the disarmament exercise and at the same time protecting Kenyans along the borders and yet on Saturday, over 3,000 cattle were stolen from Katikomor in Kapenguria where there is heavy presence of police, including those patrolling the area in helicopters? No animal was recovered and yet the Assistant Minister is playing around here by saying that the Government has beefed up security along our borders.

**Mr. Speaker:** Order, hon. Members! I urged hon. Members to be respectful in their interventions in this House even before we went to the last seminar in Mombasa. That is how it ought to be. We spent a colossal amount of public money to learn our Standing Orders. Mr. Moroto, you attended the seminar and you must obey our Standing Orders! You should not use offensive language in this House. Mr. Assistant Minister, ignore that bit and answer the questions he has asked!

**Mr. Shitanda:** Mr. Speaker, Sir, the main problem that the Government is facing when

addressing the issue of cattle rustling is that in some cases, when we have these incidents, the communities involved and their leaders normally exaggerate the figures of animals stolen. For example, when 100 animals are stolen, it is reported to the Government that thousands of animals were stolen. However, the Government is committed to eliminating cattle rustling activities, especially in the hon. Member's constituency. All that we request him is to co-operate with the security forces on the ground, and we can assure him that this vice will be eliminated.

*Question No.085*

IMPLEMENTATION OF SCHOOL  
FEEDING PROGRAMME IN MAKUENI

**Mr. Speaker:** Very well! This Question by the hon. Member for Kibwezi is deferred at his request. Mr. Minister, I am really sorry; I was not able to get in touch with you, but he did contact me. So, the Question is deferred to Tuesday.

*(Question deferred)*

*Question No.256*

ENFORCEMENT OF STANDARDS  
IN CELL PHONES

**Mr. Mukiri** asked the Minister for Information and Communications what action he is taking to ensure that the cell phones being sold in the market are of quality standards.

**The Assistant Minister for Information and Communications** (Mr. Were): Mr. Speaker, Sir, I beg to reply.

The Communications Commission of Kenya (CCK) has been mandated to carry out type approval of communication equipment, including GSM cell phones. This is a process where the technical and operating parameters of all communication equipment are evaluated for compliance against the standards specification set by the CCK. The CCK, therefore, type approves all cellular handsets that are offered for sale in the country. The models of cellular telephones that are compliant are awarded the type approval to be sold for connection to public cellular networks. Those that do not comply are denied type approval, and the applicants are advised to re-export the sets back to their countries of origin. This ensures that the handsets that are sold in the Kenyan market meet the GSM standards regarding operational and radio frequency safety standards.

**Mr. Mukiri:** Mr. Speaker, Sir, I am not satisfied with the answer given by the Assistant Minister. This is simply because it is an answer that seems to have been taken from a text book. There are so many cell phones that are being sold in this country and nobody can say where they come from. In fact, Kenyan businessmen travel to the far east, Dubai and other countries. They import these cell phones and sell them to Kenyans. The CCK has no role to play when these businessmen import cell phones into the country.

**Mr. Speaker:** Order, hon. Member for Molo! How Questions are to be put in the House is found under Part I, Standing Order No. 35. Among other things it states the following: "A Question shall not be a pretext for a debate." That is what you are doing. Could you, please, ask the Assistant Minister a question?

**Mr. Mukiri:** Thank you, Mr. Speaker, Sir. I was just developing my question. He has given a

wrong answer. Could the Assistant Minister tell this House how the CCK is involved when Kenyan businessmen import these cell phones and dump them into this country? What is the role of CCK in such a scenario?

**Mr. Were:** Mr. Speaker, Sir, I have indicated that the CCK type approves the sets that are imported into the country. But, as we are aware, the CCK has problems because of our porous borders. Several handsets have been illegally imported into the country. However, the CCK searches premises of companies that sell cell phones, and, if it finds phones that are not type approved, they are confiscated and action is taken against those involved.

**Dr. Ali:** Thank you, Mr. Speaker, Sir. I think the Assistant Minister should be a bit more serious. How does he intend to do that job when he knows very well that I could go to the streets and buy a cell phone and a sim card from a hawker? How will the CCK know whether cell phones are type approved or not? What measure is he going to put in place to ensure that people do not sell fake cell phones?

**Mr. Were:** Mr. Speaker, Sir, the CCK is coming up with a system of numbering those sets that are certified, and once that is done it will be possible to know which sets have not been certified. The police will then be involved to arrest those selling fake cell phones.

**Dr. Manduku:** Mr. Speaker, Sir, sometime back, some devices were brought and put on cell phones as anti-radiators. This shows that cell phones have radioactive materials which can damage our brains. Is the Assistant Minister aware of that? If it is true that cell phones emit some radioactive materials, has the Assistant Minister informed the public, so that they can put anti-radiators on their cell phones to protect their ears and brains?

**Mr. Were:** Mr. Speaker, Sir, I will confess that, that step has not been taken. However, the devices were available and whoever wished to put them on their phones, did so. I can also confess that nowadays, I do not see those devices.

**Mr. Mukiri:** Mr. Speaker, Sir, the Government has left Kenyans in the hands of conmen. If you buy a cell phone today, tomorrow you will find that it is not working. Could the Assistant Minister consider leaving this work to the Kenya Bureau of Standards? I do not think the Communications Commission of Kenya (CCK) has the capacity to monitor the sub-standard goods which are imported in this country.

**Mr. Were:** Mr. Speaker, Sir, that is a good suggestion. We are going to look into it and take the appropriate action.

*Question No.273*

RECRUITMENT OF NURSES/  
CLINICAL OFFICERS

**Mr. Kagwima** asked the Minister for Health:-

- (a) how many people applied for employment as nurses and clinical officers during the last recruitment of October, 2004 to March, 2005; and,
- (b) how many the Ministry recruited in view of the perennial shortage of medical staff in health institutions in Tharaka District.

**The Assistant Minister for Health** (Dr. Kuti): Mr. Speaker, Sir, I beg to reply.

(a) The number of applicants were as follows:- Four hundred and six clinical officers applied against 26 advertised posts. One thousand, three hundred and thirty eight registered nurses applied against 98 advertised posts. Two thousand, five hundred and eight six enrolled community health nurses applied against the advertised 242 posts. The number recruited was as per the advertised posts, namely, 26 clinical officers, 98 registered community health nurses and 242 enrolled community health

nurses.

(b) The number of staff posted to Tharaka District Hospital before the on going recruitment were as follows:- Three Kenya Enrolled Community Health Nurses, one Kenya Registered Community Health Nurse and one Registered Clinical Officer. Currently, the Ministry is undertaking recruitment of staff and they will be deployed as per need. Tharaka District will definitely be given priority.

**Mr. Kagwima:** Mr. Speaker, Sir, the Assistant Minister should provide a breakdown of the number of applicants and the number of the successful applicants per district, so that I can find out what happened to applicants from Tharaka District.

**Dr. Kuti:** Mr. Speaker, Sir, I am sure we can sort out that issue with the hon. Member.

**Mr. Serut:** Mr. Speaker, Sir, in 2004, recruitments were done at the district hospitals. This year, the recruitment is being done at the Ministry headquarters. Why is the Ministry using double standards when it comes to the recruitment of these officers? Why can it not recruit the officers at the district hospitals level?

**Dr. Kuti:** Mr. Speaker, Sir, the hon. Member knows very well that this is an emergency exercise which is being done to sort out the current crisis that we are undergoing. However, the 2004/2005 recruitments which hon. Kagwima has referred to were done at the provincial headquarters. It was only in the Rift Valley and the Eastern Provinces, which are vast provinces, where the recruitments were done in two centres.

**Mr. Owino:** Mr. Speaker, Sir, there has been a pile up of trained nurses and other health officers and the number that is being employed is negligible. Is the Assistant Minister concerned that most trained health officers who have not been employed could easily become obsolete and will not be knowledgeable when they are eventually employed?

**Dr. Kuti:** Mr. Speaker, Sir, I agree that there is a backlog in the employment of health officers and this has been hindered by the availability of funds. There are mission and private facilities which are absorbing nurses. This is also not adequate. Currently, we got a request from Namibia for 100 nurses to be employed there. Many nurses are getting employment outside this country. I agree that this has not been enough and we have nurses out there who are not employed.

**Mr. Salat:** Mr. Speaker, Sir, the other day, we had a big problem in our Government hospitals. The Ministry went ahead and hired about 400 nurses and not long after that, the nurses strike was called off and the nurses who had gone on strike were recalled. What will the Assistant Minister do with the 400 newly recruited nurses?

**Dr. Kuti:** Mr. Speaker, Sir, I am sure the hon. Member may have heard over the news that Medical Superintendents and Medical Officers of Health (MOHs) in all the district hospitals where the postings were done have been asked to absorb those nurses pending their appointment letters.

**Mr. Kagwima:** Mr. Speaker, Sir, earlier, the Assistant Minister said that I can sort out the issue with him. I do not know whether we should sort it out here in the House or whether he wants me to go to the Ministry.

**Mr. Speaker:** It must be here. Dr. Kuti, you should sort it out here!

**Dr. Kuti:** Mr. Speaker, Sir, if the hon. Member is interested in me tabling the list according to districts, I can do that at a later date, maybe, on Tuesday next week.

**Mr. Kagwima:** Mr. Speaker, Sir, I wanted to get the list, so that I can find out why Tharaka District was discriminated against in the last two recruitments, namely, the one for October, 2004, and the current emergency one. Nobody was recruited from Tharaka District. I do not know why the Ministry should discriminate against the people of Tharaka District and they are Kenyans.

**Dr. Kuti:** Mr. Speaker, Sir, Tharaka District will be given priority just like the rest of the country.

*Question No.391*CONSTRUCTION OF MARAKWET  
DISTRICT HOSPITAL

**Mr. Sudi** asked the Minister for Health:-

- (a) when the construction of Marakwet District Hospital will commence;
- (b) what the estimated cost is and what will be its capacity; and,
- (c) how long the construction works will take.

**The Assistant Minister for Health** (Dr. Kuti): Mr. Speaker, Sir, I beg to reply.

(a) The construction of Marakwet District Hospital project has been approved by the District Development Committee (DDC) and recommendations are yet to be submitted to the Ministry of Roads and Public Works. However, the project has not been funded this financial year. Once the cost is factored in the next Medium-Term Expenditure Framework (MTEF), then it will be possible for the project to be funded and implemented.

(b) The current estimated cost for the construction of the hospital is Kshs156,500,000. It will have a bed capacity of 150 patients. Other facilities will include out-patient, laundry, kitchen and administration blocks, wards, mortuary, staff houses, external works, including drainage and water systems and hospital equipment.

(c) If the funding will not be erratic, the construction will take three years to complete. The DDC has proposed that the construction be done in three phases.

*(Mr. Sudi went to the Dispatch Box)*

**Dr. Galgalo:** On a point of order, Mr. Speaker, Sir. This microphone is preserved for shadow Cabinet Ministers, and Mr. Sudi is not one of them.

**An hon. Member:** *Akae huko!*

**Mr. Speaker:** Order, Mr. Sudi! If you are not a shadow Minister, you know your position.

*(Laughter)*

*(Mr. Sudi went back to the Dispatch Box)*

Order, Mr. Sudi! You will obey me!

*(Mr. Sudi retreated to the Back Bench)*

**Mr. Sudi:** Mr. Speaker, Sir, I think I have a shadow!

**Mr. Speaker:** Order, Mr. Sudi! We will not take the House in jest! That is the formal legal requirement and it must be respected.

Proceed!

**Mr. Sudi:** Mr. Speaker, Sir, I respect your ruling. While I thank the Assistant Minister for the answer he has given me, I am wondering why it is taking a long time to put up such a facility in that district. Medical attention for the people of Marakwet is important because there are many diseases that are killing people. Why do we have to wait for three years? That is a long time! This facility is needed as soon as yesterday.

**Dr. Kuti:** Mr. Speaker, Sir, we are looking forward to the recommendations to be submitted

by the DDC to the Ministry of Roads and Public Works.

**Mr. Sudi:** Mr. Speaker, Sir, we submitted the recommendations. When the President came to Marakwet, I showed him the site.

**Mr. Speaker:** Order, Mr. Sudi! Are you a Minister? You will not use the name of the President as authority of whatever you say so long as you are not a Minister.

**An hon. Member:** He should go to the other side!

*(Loud consultations)*

**Mr. Speaker:** Order, hon. Members! The hon. Member will be assisted to ask this question because it is absolutely important. What he is demanding of the Assistant Minister is the urgency of the issue. Could you, therefore, Mr. Sudi, proceed?

**Mr. Sudi:** Mr. Speaker, Sir, thank you for that correction. I am praying for this facility because we need it as soon as yesterday. Could the Assistant Minister make an urgent plan to have this facility put up in Marakwet District immediately?

**Dr. Kuti:** Mr. Speaker, Sir, I sympathise with the situation and we will act as soon as possible. However, it is incumbent upon the hon. Member to ensure that those recommendations arrive at the required offices in time for us to act.

*Question No.210*

DESTRUCTION OF GARISSA HOSPITAL  
EQUIPMENT BY POWER SURGES

**Dr. Galgallo** asked the Minister for Energy:-

- (a) whether he is aware that frequent power surges and cut-offs in Garissa have destroyed many medical equipment in Garissa Provincial Hospital;
- (b) what measures he is taking to solve this problem and avoid further damage to equipment; and,
- (c) whether he could also compensate the hospital for the loss of the already damaged equipment.

*(Dr. Mwiria bowed with his  
back towards the Chair)*

**The Assistant Minister for Energy** (Mr. Kiunjuri): Mr. Speaker, Sir, before I reply, I wish to raise a point of order.

**Mr. Speaker:** Order, Mr. Kiunjuri! I never heard of an hon. Member on the Floor asking for a point of order! Anyhow, just make your comment.

*(Laughter)*

**The Assistant Minister for Energy** (Mr. Kiunjuri): Mr. Speaker, Sir, I just wanted to seek a clarification from the Chair. However, I did not find it necessary to raise a point of order before my time to reply. When we enter the Chamber, all of us are supposed to bow to the Speaker. However, Dr. Mwiria bowed to the Chair facing the other side. I, therefore, wanted clarification on whether we are supposed to bow to the Chair facing the other side.



*(Laughter)*

**Mr. Speaker:** Very well! This is hilarious! Did Dr. Mwiria have his back towards the Chair and bow like that?

*(Laughter)*

**The Assistant Minister for Energy** (Mr. Kiunjuri): Exactly, Mr. Speaker, Sir.

**Mr. Speaker:** Dr. Mwiria, did you do as alleged?

**The Assistant Minister for Education, Science and Technology** (Dr. Mwiria): Mr. Speaker, Sir, I do not remember what I did.

*(Laughter)*

**Dr. Ali:** On a point of order, Mr. Speaker, Sir. If Dr. Mwiria is not aware of what he did, could he bow to the Chair properly?

**Mr. Speaker:** I was going to ask the hon. Assistant Minister to try to retrace his steps and find out whether he did a thing like that.

*(Laughter)*

**The Assistant Minister for Education, Science and Technology** (Dr. Mwiria): Mr. Speaker, Sir, in retracing my steps in my mind, I must have done the right thing.

**Mr. Sasura:** On a point of order, Mr. Speaker, Sir. Standing Order No.1 spells out very clearly that if there is anything which is not spelt out in the Standing Orders, the Speaker exercises his discretion. In view of the fact that the Assistant Minister does not remember what he did; whether he bent backwards, forwards or not at all, could I be in order to ask the Chair to forgive him?

**Mr. Speaker:** Order! I am actually worried for Dr. Mwiria. How can he forget so quickly what he did as he entered the Chamber? For his benefit and to train others, I will ask him to go to the Bar and bow to the Chair.

*(Dr. Mwiria bowed to the Chair)*

*(Applause)*

Very good! Well done!

Proceed, Mr. Assistant Minister!

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

(a) Yes, I am aware that Garissa Town and its environs recently experienced three power failures on 28th March, 3rd and 6th April, 2005, as a result of the breakdown of generating machines. However, the repairs were immediately carried out and the unit was back and running within reasonable time. No report of damaged mechanical equipment in Garissa Provincial General Hospital has reached me.

(b) To reduce power supply interruptions, the Kenya Electricity Generating Company (KenGen) has intensified maintenance activities of the three generators which involve complete overhaul. There was also an ongoing construction work for a new one-megawatt generator at a cost of Kshs130 million which started in October 2004 and was due for completion by the end of May. I confirm this was completed.

On the completion, there will be adequate generation capacity to cater for both planned and unplanned machine outages, thus sharply improving the power supply availability and quality in

Garissa Town and its environs as a whole.

(c) Despite the power rationing, essential and sensitive installations such as the Provincial General Hospital, the Kenya Army Radar, the Kenya Police Radio Room and the Provincial Administration were not affected as they had full power supplies. The Kenya Power and Lighting Company (KPLC) has been asked to investigate the alleged damage of equipment at the Garissa Provincial General Hospital and take appropriate action.

**Dr. Galgalo:** Mr. Speaker, Sir, I am surprised by the answer which the Assistant Minister has given me. This Question has been around for more than three months and he said that he is going to investigate. I believe he should have done the investigation and come up with a report but I know the Departmental Committee on Health, Housing, Labour and Social Welfare toured the Garissa Provincial General Hospital and we found several rooms full of "dead" equipment including microscopes, fridges, ultra-sound and X-ray machines and so on and yet the Assistant Minister says that he is going to investigate. When will he complete that investigation and table its report here in the House?

**Mr. Kiunjuri:** Mr. Speaker, Sir, first of all, the Kenya Power and Lighting Company (KPLC) cannot be taken wholly to be the main cause of the "death" of those machines. There could be many other causes that resulted to these machines being inoperational. However, we have asked our people for information and we are also consulting the Garissa Provincial General Hospital which has so far not given us any information.

**Mr. Y. M. Haji:** Mr. Speaker, Sir, the damage caused to all these machines cannot be because of any other reason other than KPLC. I am surprised that the Assistant Minister is telling us that these machines were destroyed on 27th, 28th and 29th whereas this is a common and regular feature since we live there and we know. Every other day there is power failure in Garissa. Could the Assistant Minister be honest and answer this Question?

**Mr. Kiunjuri:** Mr. Speaker, Sir, we are dealing with machine failure and there are so many other causes which could lead to this. So, I stick to my word that machines could fail because of so many other factors and not only KPLC. The power surge could also result to that.

**Dr. Godana:** Mr. Speaker, Sir, I think this Assistant Minister is not serious and I think he should not, as you said, take the House in a jest. Part "a" of the Question asks: "Is the Minister aware that frequent power surges and cut-offs in Garissa have destroyed many medical equipment in Garissa Provincial General Hospital?" He was not asked what has destroyed that equipment. If he has something definite which is not power failure he should say so.

**Mr. Kiunjuri:** Mr. Speaker, Sir, at no single time have I denied that, that could have been the cause, but what I am saying is that KPLC is not the only cause that could lead to the mechanical breakdown of those machines. However, I have indicated clearly that we are investigating and if KPLC is found guilty, then we shall take the appropriate measures against it.

**Mr. Arungah:** Mr. Speaker, Sir, in view of what the Assistant Minister has said, could he tell us when he is going to amend the law to hold KPLC to account in the event that the equipment is damaged because of power failure?

**Mr. Kiunjuri:** Mr. Speaker, Sir, that is the law. KPLC should be held to account in case of power failure.

**Mr. Dahir:** Mr. Speaker, Sir, recently, during the visit of His Excellency the President to North Eastern Province, we had a blackout and I think the Assistant Minister can bear me witness on this. Could he consider connecting Garissa to the national grid because it is the only provincial headquarters which has not been connected to it?

**Mr. Kiunjuri:** Mr. Speaker, Sir, I witnessed that and I want to assure the hon. Member that as for now, blackouts are history. We have already installed a one-megawatt transformer. On connecting Garissa to the national grid, the hon. Member should be aware that it will cost us a

substantial amount of money and we will install it once funds are available.

**Mr. Speaker:** Very well, hon. Members. I am afraid I must now stop there. I wish I could go further than that but I cannot. So, we will defer the Questions by Mr. Osundwa, Dr. Kibunguchy and Mr. Bett to next Tuesday. Next Order!

*Question No.103*

SHORTAGE OF INSTRUCTORS AT  
BUNGASI POLYTECHNIC

*(Question deferred)*

*Question No.161*

TITLE DEEDS FOR MAUTUMA SETTLEMENT  
SCHEME BENEFICIARIES

*(Question deferred)*

*Question No.117*

FINANCIAL CRISIS IN MOGOGOSIEK

*(Question deferred)*

**PROCEDURAL MOTION**

LIMITATION OF DEBATE ON  
ANNUAL ESTIMATES

**The Vice-President and Minister for Home Affairs** (Mr. Awori): Mr. Speaker, Sir, I beg to move the following Procedural Motion:-

THAT, the following limitations shall be applied to the business of the Annual Estimates:-

(i) Each speech in the debate on the Financial Statement on the Annual Estimates shall be limited to ten minutes, excluding the Mover's speech and reply, which shall not be limited; and the Official Leader of the Opposition or designated official spokesperson who shall be limited to thirty minutes.

(ii) On the Motion, "That, Mr. Speaker do now leave the Chair", to enable Ministers to initiate debate on policy, the Mover shall be limited to a total of one hour; half an hour for moving and half an hour for replying to the debate; thirty minutes for the Leader of the Official Opposition or designated official spokesperson; and that each other Member speaking shall be limited to ten minutes; provided that one hour before the question of the vote is put, the House shall go into the Committee and the Chairman shall put every question necessary to dispose of the Vote.

(iii) Each speech in Committee of Ways and Means and Committee of Supply shall be limited to ten minutes.

Mr. Speaker, Sir, this is a mere Procedural Motion to remind hon. Members of the time that they have so that they can prepare their notes carefully in order to be able to debate well.

With those few remarks, I beg to move.

**The Assistant Minister for Finance** (Mr. Obwocha): Mr. Speaker, Sir, I wish to second this Motion and indicate that as the Vice-President and Minister for Home Affairs has said, it is basically a Procedural Motion. The ten minutes will enable as many hon. Members of Parliament to have a chance to contribute to the Financial Statement on the Annual Estimates.

Mr. Speaker, Sir, I believe that the 30 minutes allocated to Ministers to initiate debates on their Votes and the 30 minutes given to hon. Members of the Shadow Cabinet is enough time for the Shadow Cabinet to interrogate the Ministers. As an oversight function of Members, I think 30 minutes are enough to interrogate the Ministers when they are moving their Votes on policies of their Ministries.

With those few remarks, I beg to second.

*(Question proposed)*

**Dr. Godana:** Mr. Speaker, Sir, this being a routine Procedural Motion, we support.

*(Question put and agreed to)*

### COMMUNICATION FROM THE CHAIR

#### MEMBERS SHOULD AVOID REPETITION

**Mr. Speaker:** Hon. Members, as we go to the Motion which is the main business of the House, I wish to remind the House of a matter that we discussed at length in Mombasa, and that is the question of repetition. The rule is that no hon. Member is allowed to repeat his or her argument or that of another hon. Member. So, hon. Members must listen very carefully to what their colleagues are saying. If you repeat yourself, I will warn you. If you do not heed my warning, I will stop your speech. So, please, be attentive from now on. Do not repeat yourselves.

Next Order!

#### COMMITTEE OF WAYS AND MEANS

*(Order for Committee read)*

#### MOTION

THAT MR. SPEAKER DO NOW  
LEAVE THE CHAIR

*(The Minister for Finance  
on 8.6.2005)*

*(Resumption of Debate interrupted  
on 8.6.2005)*

*(First Day of Budget Debate)*

**The Vice-President and Minister for Home Affairs** (Mr. Awori): Mr. Speaker, Sir, thank you for giving me this opportunity to make some contribution on the Budget Speech that was made yesterday by the Minister for Finance. Going by the media and talking to people in the streets, it is agreed that this Budget was friendly to the ordinary people.

When this Government came to power, one of its priorities was to revive the economy. For many years the education system which was so successful left behind the economy; the economy did not match the success of our education. It resulted in very high rate of unemployment among highly educated people. Considering that people under the age of 35 years in this country constitute about 60 per cent of the population, we found out that many young people were out of employment. Since they were not working, the development of our country stagnated.

Mr. Speaker, Sir, this Government has recognised that the only way to revive the economy is to leave matters with regard to the economy to the private sector and let the Government remain with its core business of regulating and governing this country. In recognising that it is the private sector which will revive the economy, measures have been put in place to provide an enabling environment so that the private sector can do what it is supposed to do.

Mr. Speaker, Sir, approximately Kshs65 billion has been allocated in the Budget to the Ministry of Roads and Public Works to improve infrastructure. We know that infrastructure is extremely important. For many years, our roads have deteriorated to the extent that the cost of production in every part of the economy has been very high, because the vehicles that move on the roads use a lot of energy and repairs are done every time. We want to ensure that our roads are not only rehabilitated, but that new roads are opened. In the current system where we now have regional groupings, we want to ensure that we can move our goods from one country to another.

Mr. Speaker, Sir, in the Budget, an allowance has been made to revive the railway line. I was happy to hear the Minister talk about building a railway line that will link our country to Sudan. Considering the work that this country did in resolving the problems of Sudan, I think it is important to be in the forefront of reaping the benefits from a country like Sudan. We cannot do that without connecting ourselves to that country.

We need to enhance the railway line so that pressure can be removed from the roads. I envisage a situation in the near future, where legislation may have to be passed to state quite categorically that tonnage beyond a certain figure should be moved by railway as opposed to moving on the roads.

Mr. Speaker, Sir, in the Budget money has also been allocated towards increasing power generation. We want to utilise geothermal energy. I want to recommend that we look at wind generation, because it has been found that in a place like Marsabit the wind is so strong that if we build windmills, there is a capacity to produce 4,000 megawatts. Currently, our power needs are only 1,600 megawatts. If we go ahead to make use of wind energy, we will be able to enhance our economy.

Mr. Speaker, Sir, in an effort to create an enabling environment for traders, the Minister for Finance has reduced the number of licences required before starting a business. It is incredible that for one's business to run in this country, one needs 38 different types of licences. This, frankly speaking, is ridiculous. In fact, although the Minister has reduced, by four, the number of licences required to start a business, we still have to review the whole issue of licences so that we further reduce the licences to less than four or five. I do not see the reason why a hotel keeper should be required to obtain 17 different licences. Generally, licences are supposed to regulate businesses and not to generate funding.

It was good to realise that the Minister for Finance looked into the issue of *Jua Kali*. In this country, the informal sector is the biggest employer and we need to ensure that people in the informal sector get access to affordable credit. Micro credit is the beginning of improving businesses among the small people. We need to advise the major banks to pool their resources and avail credit to the people in the informal sector. Recently, it was stated that out of all the jobs that were created, a total of nearly

500,000 jobs were generated in the *Jua Kali* sector. If only this sector could access credit, then the number of jobs created would be more than double.

We need to help the people in the informal sector by enabling them to upgrade the quality of their products. Currently, lots of people interested in excellent furniture are importing them from outside the country, thereby reducing the foreign exchange that we have got. If we can allocate more money and attention to the *Jua Kali* sector, the people in this sector will be able to upgrade the quality of their products, and it will not be necessary at all to import things like furniture from outside Kenya.

Mr. Speaker, Sir, just as free primary education has been termed a great success, so has been the Constituency Development Fund (CDF). Today, in the rural areas, people have money in their pockets, thanks to the CDF. I think this is the most revolutionary action that any of the previous regimes has ever done. There have been occasions where we have been told that CDF is not being utilised properly. When you look at the 210 constituencies, it is probably in only three of them that some irregularities have been experienced. We, therefore, need to talk about the CDF in a positive manner. We need to look at the regulatory aspects. For instance, we need to ask ourselves: How should money from this fund be used and regulated? If we manage to answer that, then we will be answering the call of the President, that this country should be a working nation.

Mr. Speaker, Sir, our economy is based on agriculture. I am happy to see that agriculture has received funding from this Budget. That will make our farmers continue to produce more and ensure that there is food security in the country. We all feel sad when, from time to time, our country is hit by drought and we are forced to import food. We want to ensure that there is enough food for all our people. We grow and produce good sugar-cane, wheat, coffee and other crops. However, currently, we are unable to produce to full capacity because we have always depended on rain. It is about time we turned around and looked for alternatives.

Mr. Speaker, Sir, since we now have regional trade groupings, for example the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), and others, it is not possible for us to compete effectively with our partners in these groupings and who are using better methods.

The Budget did not give adequate funding to the Ministry of Water and Irrigation. We would like to see that Ministry get more money so that it can accomplish two tasks at the same time; that is, to dam the rivers, which from time to time cause havoc to residents when the rivers flood, and at the same time create reservoirs of water.

**Mr. Speaker:** Your Excellency the Vice-President, your time is up. You have moved the Motion yourself!

*(Laughter)*

**The Vice-President and Minister for Home Affairs (Mr. Awori):** Mr. Speaker, Sir, I beg to second.

*(Question proposed)*

**Mr. Speaker:** The first opportunity, obviously, goes to the Official Opposition if they are ready to respond. If they are not ready, the Chair will give them adequate time to prepare. Are you ready?

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

**Mr. Speaker:** Very well. Then you have the time which we have approved, that is, 30 minutes.

**Mr. Billow:** Thank you, Mr. Speaker, Sir. The Budget, as we said last year, is usually a very

complicated document. We had, as a House, sought to have a Budget Office that would assist us in analyzing the Budget Speech so that it can be easier for us to understand and contribute to it more effectively. I think that is one of the things we were really looking forward to.

We had also requested the Minister for Finance to share with us the Budget document a bit early, especially the Printed Estimates and the Budget Strategy Paper. Had those two documents been availed to us a week or so earlier, they would have been very useful. As usual, they were distributed yesterday before the Budget Speech. We had also sought that the Ministry allow participation as much as possible in the preparation of the Budget. The preparation of the Budget is not those hearings held at KICC, and I am sure many Members of Parliament did not even attend them. The Minister should engage the House in serious consultations when preparing the Budget, so that it is easier for people to know what is in the Budget when the Speech is read.

Mr. Speaker, Sir, I like the way the Minister concluded his Budget Speech yesterday. He urged us not to continue blaming the past, but to chart the course for the future. This comes at an opportune time, especially when we have been reading in reports that the NARC Government has been complaining that it is not easy to work very hard on an empty stomach. It is now, perhaps, the appropriate time to say that they are now well set and ready to go forward.

Mr. Speaker, Sir, as I said earlier, this was a classic Budget by the NARC Government. It was classic because of the famous trademark that the NARC Government has always used; "*Yote Yawezekana*". However, I am really impressed by the Government side. I remember when former President Moi was handing over his KANU chairmanship, he told us that the NARC Government is new in politics. He also said that the Official Opposition; KANU, is also new in opposition. He said whoever was to learn his job first, he would do it very well. Looking at the way the Government presented the Budget yesterday, I am actually sure that this Government is learning very fast. The Budget is a political tool. Once you learn how to use it politically, you will have done a lot better than if you did not. I say so because the Budget looked very attractive and, indeed, most people who commented on it said it was very good. However, I wonder whether there is any Budget that has ever received a bad comment. All budgets, even when they were presented by the former Government, the immediate reaction always was that they were good. However, the taste of the pudding is in the eating. It is when this Budget is implemented that we will, indeed, know whether it was a good one or not.

*[Mr. Speaker left the Chair]*

*[Mr. Deputy Speaker took the Chair]*

Mr. Deputy Speaker, Sir, one of the things the Minister mentioned in his Budget speech is the 4.3 per cent growth in the economy. This is a growth which many Kenyans are sceptical about and found a bit hard to believe. Whilst I do not deny that there was economic growth, indeed, in certain sectors of the economy, the change in the formula or method to come up with this, used by the Minister, raised concerns. In particular, my main concern has been in the base year that has been used by the Ministry. That shift from 1992 base year to 2001 base year raised a bit of suspicion. When you look at the 2000/2001 and 2001/2002 financial years, the year 2001/2002 appears to be a very unusual year in terms of performance. The figures presented in the 2005 survey actually show that in 2001, the growth of the economy was 4.4 per cent. In other words, using the new method, in 2001, the economy performed much better than it did in 2004. This is something that those who are now in Government and giving us those figures should re-look. During 2001, when they were in the Opposition, they said the economy was in the Intensive Care Unit (ICU); that the economy was on its knees; it had completely collapsed. However, today, using figures of 2001 of 4.4 per cent and that year as the base year, there is need to share some of the information with Kenyans, so that they can

appreciate why the year 2001 was used as a point of reference. Why was this not 2002? It was a good breakpoint. That is when the KANU Government left after 40 years of power. That is also the year that the NARC Government came in. Perhaps, that needs a bit of explanation.

Mr. Deputy Speaker, Sir, I must say that there are positive sides of the Budget. I am particularly impressed with the fact that the Minister did not increase taxes. This is a good thing when the economy is expanding and growing. This will encourage our businessmen to do more. There will be more revenue generated. This is a positive aspect.

I am also happy that the Minister did, in fact, address some of the concerns of the common man; for example, in zero-rating some of the basic commodities, for example, maize flour and cooking oil. It is not that VAT is being removed. The zero-rating will help businessmen as input when they are getting their refunds. The most important thing to note, however, is that this should stabilize prices. I do not think it will result in any reduction of the prices of basic commodities. For the middle-income earners, that is where there are more incentives that the Minister gave, particularly on waiver of duties on Liquefied Petroleum Gas (LPG) and sanitary towels. The people who can afford these commodities are in the middle income group. The common man will still not be in a position to afford most of those things.

Mr. Deputy Speaker, Sir, let me come to one interesting aspect of the Budget. This is on the Budget outlay on Government expenditure. The total budgeted expenditure is Kshs508 billion. This is more than double the actual expenditure when this Government came to power. In June, 2002, our budgeted expenditure was Kshs246 billion. Just about two-and-a-half years down the road, we have a Budget that is double. This is 50 per cent of the GDP. Now, with that kind of expenditure that is double of what we used to spend in 2002, why is there not much improvement in service delivery? We do not see any improvement in our health sector, security and other utility services by the Government, and yet we are spending that kind of money.

The other question that would come in is, in spite of that expenditure, poverty levels are on an upward trend. The Minister cannot deny that studies conducted recently show that the poverty index is on an upward trend and come 2007, we will probably have 60 per cent of this population in this state. What is happening? Again, infrastructure is crumbling. With that kind of expenditure, we still have potholes, lack of roads and problems of water supply. Infrastructure is still in the same chaos in hospitals, telephone services, schools and constant power failures. Hon. Members heard about this just a few minutes ago. So, what is happening?

Mr. Deputy Speaker, Sir, civil servants still live on a shoe-string budget. Even with that huge expenditure of Kshs508 billion, our public servants; nurses, doctors and teachers, have been on strike. This is because they cannot survive on the little money that they are getting. So, what is happening? Why are we not seeing any changes in the lives of Kenyans? Why are we not seeing any changes in the improvement of service delivery with that kind of expenditure? Is there something wrong with the priorities and in the way we are spending our money? This takes us to the theme of the Budget, which the Minister chose of re-orienting our expenditure towards poverty reduction. Perhaps, that is what we need. We need to check. Indeed, the Minister moved his expenditure from consumption that is not being evidenced on the ground in terms of improvement of the lives of the people.

Mr. Deputy Speaker, Sir, I need to mention something about over-expenditures by the Accounting Officers. One of the major perennial problems we have had, even in the past regime, is the over-expenditure by public servants in certain Ministries. Money is allocated by this House of, for example "x" amount to a Ministry and then the Ministry goes ahead and spends in excess of that. They spend on projects or activities which had not been voted for by the House. One of the things I expect the Minister to do, because it is a fairly common problem, is to come up with some measures to control that kind of thing. Every year we hear warnings that the Minister will take action on any public servant who does this or that. However, what we would like to see is action taken against those



Accounting Officers. The Minister should come up with a legislation, and we even said this last year, that any Accounting Officer who exceeds his budget ceiling, or any public officer who goes ahead and diverts resources for projects or activities which had not been voted for by the House would, in fact, be surcharged and prosecuted. This happens in South Africa and in many other countries. Unless we do that, we will always be voting as a House on certain projects and the money ends up in other projects. It may not even end up where it has been voted for.

Mr. Deputy Speaker, Sir, there is need to improve financial management discipline in this country. We still have that weakness. We have seen this through the years. It is important that the Government takes action on that.

Now that our revenue has been on the upward trend, the Government should now turn its emphasis on expenditure management; on making sure that financial management improves and the little resources that are collected by Kenyans are well managed. This is money hard-earned by Kenyans. Kenyans sweat to generate that revenue and when it is given to the Government, we expect that it is used for projects that will benefit people. However, when we continue seeing that every year we are spending Kshs300 to Kshs500 billion and we do not see any change on the ground, this is unfair to Kenyans, and people will start getting disillusioned with Government. This brings about the complaints we see always, that the Government is not doing this or that. We need to concentrate on that.

Mr. Deputy Speaker, one of the things we need to do is to curb wastage, inefficiency and extravagance by Ministries. This Government has gone on record on one thing, extravagance. Even today, I do not have the figures, but there are Ministries where a Minister could spend up to Kshs40 million on travel and accommodation alone. That means that the Minister is virtually out of the country every month. I think these kind of expenditures need to be minimised so that we do not spend money in areas which are not required.

The Minister promised, in his Budget Speech, to issue guidelines on travel and accommodation and limit the number of cars being used by Government officials. We also heard that in the past, when hon. Nyachae was the Minister for Finance. That did not have any effect. Unless these measures are accompanied by penalties for those who breach the rules, they will not have any effect. The penalties have not been spelt out by the Minister. He needs to impose penalties which can be used to punish those who flout the rules.

The most important aspect of public expenditure inefficiency is corruption. This is particularly in the area of procurement. This has been a major concern throughout the year. Kenyans are still not convinced that this Government is free from corruption and has reduced the vice significantly than it has been. I think we need to enhance transparency in the Government, such that we can all access information. The President promised that soon, people will be able to walk into Ministry offices and get any information. But I think as long as there is no transparency, we will not know what is going on. Inefficiency is still in existence. Money is not being spent properly and that is why we do not get services. We need to deal with corruption.

Last year, donors made it very clear that they were not happy with the performance of the Government with regard to its fight against corruption. The Government had a Consultative Group (CG) meeting in April and undertook that, come June this year, it would have dealt with a number of measures with regard to fighting corruption. I think it is important that those measures are published because that was agreed upon in the CG meeting. It was agreed that at least 20 investigation reports of the cases be published.

I must talk about some weaknesses which are still in the Treasury. These are particularly with regard to disbursement of funds to districts so that development projects can be speeded up. We also raised this issue last year. There is no point of having a Budget, vote on it and the money is not utilised due to lack of liquidity in the districts for the projects. That is something that the Ministry needs to

work on. We are experiencing this because of bureaucracy problems. It is important to note that, out of the development budget allocation for the year 2002, we only managed to spend 35 per cent. In 2003, we managed to spend 44 per cent, and last year, 50 per cent. It is important that we enhance efficiency in disbursement of funds.

The other aspect I need to talk about is that of investment. For the Kenya Revenue Authority (KRA) to generate more revenue, we need to have expansion---

**The Minister for Roads and Public Works (Mr. Raila):** On a point of order, Mr. Deputy Speaker, Sir. The financial year has not ended, yet the hon. Member is alleging that the Government has only spent 50 per cent of the money allocated to the Development Vote. Is he in order to mislead this House that we have only spent 50 per cent of the funds when, in actual fact, we have spent nearly 99 per cent of it?

**Mr. Billow:** Mr. Deputy Speaker, Sir, I said that in the year 2002, the actual amount of expenditure under the Development Vote was 35 per cent. In 2003, it was 44 per cent, and last year, it was about 50 per cent. Last year refers to 2004 and not 2006.

For KRA to generate more revenue, we need to have more investments. Investors have shied away from investing in the country because of problems in various sectors. The most affected sectors which the Government has mentioned is infrastructure, telecommunications, energy and security. Problems in all those sectors need to be addressed. There is no way we can continue talking about investments, yet our investment ratio has remained the same since the NARC Government took over. It is not improving because of those problems.

We must address the issue of Information Communication Technology (ICT). In my view, there is no way you can get investors--- In today's economy, ICT is a very important aspect because it is about efficiency in service delivery. It is about improving processes. There is no way you can improve service delivery and processes, unless you involve ICT. It is important that the Government actively pursues the master plan which it promised to publish by the year 2004 regarding the E-Governance and the ICT policy. It is important that the Government addresses the barriers of investment which I have mentioned.

I have not seen, from the Minister's Budget Speech, any fundamental change in the basis of allocating funds. That has been one of our major concerns, as hon. Members. Resource allocation has been biased. It has been biased because the Government does not use socio-economic indicators when allocating funds. I will give an example of what happened last year in some two districts. Look at the money that was allocated to Turkana District, one of the poorest districts in this country. The poverty index of Turkana District is 62 per cent. Take another district, Nyeri, where the poverty index is 30 per cent. In terms of size, Turkana District is double the size of Nyeri. In terms of resources, Turkana District does not have much. But look at the way resources were allocated. For water supply, Turkana District got Kshs5 million in 2003, and last year, it got Kshs5 million; again, in the Printed Estimates. Nyeri District got Kshs216 million in 2003, and last year it got Kshs600 million. This is just an example of what happens. If you looked at the socio-economic indicators for the two districts, you would imagine that Turkana District requires more money in terms of alleviating poverty and boosting its development. If we want to fight poverty, we should pump in more resources in such districts. You cannot fight poverty when you allocate resources disregarding the socio-economic indicators that you have. You have to use them since they are published. We have figures on equality, poverty and development in this country, yet we do not use them when allocating resources. We will never have development in some parts of this country, and poverty will always remain.

There are other issues which I would have wanted the Minister to talk about because they have important implications on the achievement of the Budget. As usual, I think one of the problems we have, unlike the one which I have mentioned of corruption, which needs to be emphasised, is the issue of the constitutional review process, which has become divisive. This issue has preoccupied the minds of hon. Members and the majority of Kenyans and needs to be dealt with. As we speak, I think there is no consensus on that process. I think there are some issues we need to address.

We need to talk about rationalisation of the Government size. When this Government came into power, it promised not to have more than 15 Ministries. Government Members said: "Read our lips. We will not have more than 15 Ministries." They have now expanded the Government to have 31 Ministries with 44 Assistant Ministers. In total, we have 75 Ministers and Assistant Ministers. We know that there are political considerations which require people to vote on Motions.

*(Applause)*

In terms of containing expenditure, the Government promised, in its Economic Recovery Strategy Paper, to review its functions and carry out rationalisation of its Ministries. This would lead to merging Ministries with Departments that can work together. This helps to avoid duplication of Ministries and cut down on Government expenditure. I think that the expenditure saving made can be given to those areas---

**The Minister for Roads and Public Works** (Mr. Raila): On a point of information, Mr. Deputy Speaker, Sir!

**Mr. Deputy Speaker:** No!

**Mr. Billow:** Mr. Deputy Speaker, Sir, there is need to rationalise the Government size, so that we can reduce expenditure. We know they are not satisfied with the 75 Ministers that they have. I understand there are many who are in the process of migration. But it is important to note that we have to rationalise the size of the Government.

The other point, and even Kenyans saw that, is that hon. Members from the Government side could not find space to sit in the Chamber. They had to sit on the Opposition benches. That point should also be taken by the Ministries. You cannot do a retrenchment without carrying out an evaluation. We need to have a complete rationalisation in the Ministries. Those are the things that you promised.

**The Minister for Roads and Public Works** (Mr. Raila): On a point of order, Mr. Deputy Speaker, Sir.

**An hon. Member:** *Tsunami!*

**The Minister for Roads and Public Works** (Mr. Raila): Mr. Deputy Speaker, Sir, this is not *tsunami*. The hon. Member is misleading the House that the Government is bloated when, in fact, it is their side which keeps on pressurising us that they want to come to our side. Is he in order?

**Mr. Deputy Speaker:** That would have been a very good point of argument! But it is not a point of order!

**Mr. Billow:** Mr. Deputy Speaker, Sir, fortunately, Kenyans know that they were hit by the *tsunami* and Kenyans had to fill the gaps on the other side.

I would like to talk about small micro-enterprises. I thought the Minister should have addressed them much more seriously. That is the sector that accounts for more than 80 per cent of jobs in this country. It is the fastest growing sector in terms of the economy. They give us all the income that we are talking about in this country. The rest of the economy that we are talking about; that is manufacturing and all the others combined, do not generate more than 20 per cent of employment, yet we have ignored micro-enterprises. Three months ago, when we were discussing the Sessional Paper on micro-enterprises, the Minister promised to include the recommendations in the Budget. But he has not done that!

Mr. Deputy Speaker, Sir, one of the two key things that we mentioned, and what we were hoping to see, was providing cheaper sources of finance to smaller micro-enterprises. We did request, and it is included in the Sessional Paper, that the Government will provide funding at concessionary rates to micro-finance institutions, so that they can then on-lend cheaply to small micro-enterprises. That sector needs to be regulated. That was the purpose of bringing the Micro-Finance Bill. It was a

pledge that was made by the Government in 2002.

We also thought that with regard to infrastructure for the small micro-enterprises, the Government will do something. That sector needs sheds where they can work under. When they are in those sheds, they need to be assisted with water, power and so on. Those are the sectors that we need to encourage, so that they can create employment. But more importantly, I thought the Minister is going to have a different tax regime for small micro-enterprises. They cannot be required to pay corporation tax at 30 per cent, which is the same rate of tax that General Motors or Unilever are required to pay. If the small people who do welding and *Jua Kali* artisans register their businesses, they have to pay tax at the same rate. I think we need to have a separate tax regime. The Minister did not do much for that sector.

Mr. Deputy Speaker, Sir, I expected the Minister to deal with the issue of pending bills. That is a major problem. By the year 2003, it was Kshs18 billion. By the end of this year, it will be Kshs30 billion. The Government needs to address that issue because it is a time bomb. The figure of Kshs18 billion in 2003 has gone up because of interest. When many Permanent Secretaries come to the Public Accounts Committee (PAC), there is a lot confusion. They do not know what to do. The Government has set up so many committees. The Closure Committee that is existing now is the fourth one. Before that, there was the Ministry of Roads and Public Works Committee and the Treasury Consultants. All those recommendations have not gone anywhere because they do not have a legal framework within which they can be enforced. The Government needs to address that.

Mr. Deputy Speaker, Sir, on the issue of employment, the Minister's point has been argued in the public domain a lot. There were only 37,000 jobs in the modern sector. The rest were other jobs in the informal sector that have always been there. So, there are no additional jobs created. The Government needs to do more in terms of providing incentives, particularly to companies, on the basis of employment; that, if you employ 100 people, you are going to be given certain incentives in terms of tax reduction. That is the only way to encourage companies to employ more people.

The wage freeze is not going to help. Last year, the wages went up by 4.4 per cent. The average wage increase in real terms went up only by 4.4 per cent. When you look at the people who work in this country, majority of them do not earn more than Kshs5,000. I think those are the people who are affected. That is why we need to address their living conditions.

Mr. Deputy Speaker, Sir, the Minister mentioned that, in order to reduce inflation, he has to reduce liquidity in the money markets. I think he needs to be cautioned that, when the economy is expanding, people need more money in the market. There is need to increase money supply, so that all those expansions and activities in the economy can be financed. I do not agree with the Minister that inflation last year was below 5 per cent, compared to almost 16 per cent previously. That is not because of the expansion of the economy or the additional credit taken by the private sector. I think it is because of the huge public expenditure by the Government, the drought that we have seen and the oil prices. Those are the things that you need to deal with. You need to stand firm against oil prices. Talk to Sudan and other countries and get concessionary terms for oil. You should address the issue of drought on a long-term basis. We are pumping billions of shillings into famine relief, but we are not addressing the issue of how to increase productivity in those areas. We need to address inflation seriously.

Mr. Deputy Speaker, Sir, with regard to the issue of budget deficit, the total expenditure they announced yesterday; in this year's Budget--- This is an important area that I want the Minister to note and explain. The Recurrent Expenditure is Kshs404 billion. The Development Expenditure is Kshs104 billion. That is a total of Kshs508 billion in expenditure. The Minister said that the total revenue that will be collected, including Appropriations-in-Aid (A-in-A), is Kshs326 billion. That would leave a difference of almost Kshs200 billion. If you take out the external grants that he mentioned and the loans from projects and so forth of Kshs63 billion, you actually end up with a deficit of Kshs119

billion. The Minister said that the deficit is only Kshs66 billion. The deficit is Kshs119, billion, and I think it is important to inform Kenyans about that. That is why I said that the Budget needs to be transparent. I am sure there are debts which are being rolled over, and which the Minister is not mentioning. That deficit will make the Government borrow more money. Last year, external debt increased by 100 per cent. They borrowed Kshs13 billion. In the previous year, they only borrowed Kshs5 billion.

With those few remarks, I support.

**The Minister for Planning and National Development** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, I beg to support the Motion by the Minister for Finance. I also wish to congratulate my friend, Mr. Billow Kerrow, the Shadow Minister for Finance, for his contribution. I used to be a teacher in my past existence and I always advised my students that, when you are going to make a speech, take a few points and elaborate on them effectively. If you take too many points, you end up doing them shallowly and, therefore, not communicating them very effectively. While I thank my friend, Mr. Billow, he has mentioned many issues. But because they were very many, he was not able to go into depth. He ended up treating them rather superficially. The alternative budget he is talking about is actually from the Institute of Economic Affairs, and as a member of the Board, I may be speaking to you about that soon.

**Mr. Billow:** On a point of order, Mr. Deputy Speaker, Sir. You heard the Minister say that my alternative budget was from the Institute of Economic Affairs. Is he, therefore, in order to say so when, indeed, the Institute declined to work with KANU because he is in the board?

**The Minister for Planning and National Development** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, I do not want to be drawn into that discussion, but it is a piece of information that I needed to communicate to him.

Nonetheless, when it comes to the Budget preparation process, the Government is, indeed, aware that it must be open, transparent and trans-participatory. I do assure the Opposition that the sector hearings that are usually held at the Kenyatta International Conference Centre (KICC) will from now on be extended. Right from the moment that the Budget Outlook Paper is elaborated, and this time it will be from August, the Budget preparatory period will be much longer. Therefore, hon. Members from the Opposition will be able to participate in the process effectively. It is not the interest of the Government at all to make the Budget a secret or something that is not open to the public. It is the taxpayers' money that we are using. Therefore, we must open it to everybody to discuss and know what is going on.

Secondly, we did realise that, last year's Budget was not very much in line with the Economic Recovery Strategy. That is something that the Government did through the Public Expenditure Review that we revealed in October, last year. This particular Budget is much more aligned to the Economic Recovery Strategy. We do believe that next year's Budget will be even better. Indeed, we are in the process of improving Budget making and reallocations. Therefore, all constructive proposals will definitely be welcome by the Government. In this regard, I would like to thank my friend, Mr. Billow, for saying that more money should be spent on infrastructure. Indeed, if this particular Budget has been geared towards meeting some of the basic needs of Kenyan citizens, particularly the peasants and workers of this country. We would like to make the economy much more vigorous by spending more on infrastructure and agriculture in the next year's Budget. We, indeed, shall keep expenditure on health and education at the levels where they are and even better. This Government is determined to perform better from year to year. That is why we have introduced many reforms in the Government that are on-going. I would like to appeal to Kenyans to support us in this process.

Mr. Deputy Speaker, Sir, I would like to make a distinction between growth and development. Earlier in the year, we did publish a report on inequality in this country. This was to make Kenyans know the extent of poverty and the major responsibility the Government had to try and deal with the

problem of inequality. The first thing you do is to make the economy grow, so that there are resources that can go towards redistribution of income and wages. Unless the economy grows, you cannot address the problems of inequality. When you address problems of inequality, then you enter the realm of development. We are now in the phase of growth. We shall definitely enter the phase of development when growth enters more sectors than the ones we have at the moment. For example, there has definitely been growth in the agriculture and livestock industry. The sugar, tea, coffee and dairy industries are doing much better than before. I am quite sure, although now we only have figures for the year 2004, that, by the end of this year, when we shall have figures for 2005, they will be even much better because growth is continuing. Whether we like it or not, these are facts on the ground and they cannot be altered or doctored by Prof. Anyang'-Nyong'o, the Minister for Planning and National Development. It is not in my interest. It is not according to my integrity. I do not have the skills to do so. In this regard, the public must know that Kenya has one of the best bureaus of statistics in Africa. The Kenya Bureau of Statistics has been known over the years to be a very effective, professional and well-run institution. So, many countries have come here to learn from us, for example, Uganda, Rwanda, Malawi, *et cetera*, to see what we do. I assure the public that we will continue to render them the services they need.

Mr. Deputy Speaker, Sir, as I speak now, in the Budget, the Minister has already brought out some measures to ensure that we can import coal and use the iron ore in Tanzania within the context of the East African Community (EAC). This will make us be in a position to develop an iron-making facility in this country. In fact, it will be a great deal of help to our steel industry in this country.

I must congratulate the Minister for Finance for having not factored in development partners' finances into the Budget. Indeed, what we envisaged in the Budget as Appropriations-in-Aid (A-in-A) will be as a result of certain receipted services or savings that will occur within the Ministry. When aid comes from development partners, it will go towards the Development Expenditure.

Some of the issues that the Shadow Minister for Finance has raised regarding figures, those shall be replied to when the Minister for Finance makes his final submission at the end of the debate. But I think they are not issues that can worry us so much. I think those figures can be explained. They are there in the Financial Statement, and I do not think this Parliament can be unduly worried about them. They are issues that the Government can handle effectively.

Mr. Deputy Speaker, Sir, one of the things that have happened in this Budget, which is extremely important, is the zero-rating of sanitary towels and some basic foodstuffs. As you all know, I have spoken to a long extent about the need to have sanitary towels accessible to the girl-child in schools. This is because the absence of the use of these towels has led to a lot of absenteeism among the girl-children in our schools. I do believe that this is a measure that will go a long way towards ensuring that the girl-children do not be absent from school as they have before. It will also lead to a very healthy situation in these schools. It will help in the prevention of many diseases that have been molesting these girl-children because of these unhealthy sanitary conditions.

Mr. Deputy Speaker, Sir, I do believe that, in general, what the Budget has aimed at doing is rectifying some of the shortages and shortcomings of our last year's Budget. It also aims at ensuring that we engineer and instil a certain amount of prosperity among the ordinary wananchi by making sure that they have some money in their pockets to spend, not just on basic needs, but, indeed, in production.

Mr. Deputy Speaker, Sir, one of the things that is important, and I would like to remind the Shadow Minister for Finance, is that the measures that the Government has taken, for example, allocating the Constituency Development Funds (CDF) according to poverty indices, is a concrete measure of taking income to the rural areas. Instead of ordinary Kenyans spending so much of their resources on Harambee for capital development projects in schools and so on, now they can access this money from the Government. Instead of ordinary peasants spending a lot of money paying school

fees, now they can use that money for household needs. Instead of the many parents in the rural areas buying books, they are now available and the money is sent directly to schools. Indeed, I can notice in my own constituency that, bookshops that were never there in local markets are now emerging. This is a sign that money is circulating in the rural areas. It is also a sign that jobs are being created. In the construction industry alone, 80,000 jobs have been created. This could not have happened if there is no economic growth.

So, we are waiting, indeed, at the end of the year 2005, to show those doubting Thomases that the NARC Government is marching ahead and it has the confidence of Kenyans to manage this economy effectively. When I addressed the International Investment Conference several months ago, I said that, let us not listen to the deans outside. Let us get busy and build this economy as a working nation.

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

**Maj-Gen. Nkaisserry:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to the Budget presented by the Minister yesterday. First of all, I want to say that he did a commendable job by presenting a fairly balanced Budget for the country.

However, there are quite a few areas which the Minister did not address. One of these areas is the livestock sector where my heart lies. I am sure everyone who was attentive in this House yesterday tried to figure out how the Minister is going to mitigate the suffering of the pastoralists. He did not come out with a clear policy in the Budget on how he is going to mitigate the suffering of the pastoralists. In the last two years, this country has lost many cattle. Also, quite a substantial amount of money in the Budget for last year was used for relief food. I would have expected the Minister to have set aside a portion of money for re-stocking of lost livestock. These are the areas which we need to address if we are going to eradicate poverty in this country.

Mr. Deputy Speaker, Sir, the other area which the Minister mentioned, but did not critically address, is the question of water. He did, as a routine, mention that Arid and Semi-Arid Lands (ASALs) districts are going to be considered. He said four boreholes per district will be drilled. However, when you quantify that into money you will realise that a borehole will cost about Kshs1.5 million. So, that allocation will only be targeting Kshs6 million per district. That is a raw deal for the pastoralist areas.

A lot of money has been allocated to the health sector. We would like this money to go to the dispensaries and health centres in rural areas, especially in ASAL areas. I expect also that this money will go a long way to assist in the employment of medical staff to take care of our people.

Mr. Deputy Speaker, Sir, the other sector to which the Minister allocated little money is energy. He allocated the sector Kshs7 billion for rural electrification. Considering our country's need for energy, that is peanuts. I would have expected him to have allocated this sector a substantial amount of money, since the NARC Government would want development to go to the rural areas. We cannot develop rural areas, unless there is energy.

Mr. Deputy Speaker, Sir, there is no development if there is no security. In his Speech, the Minister only touched on police reforms and allocated Kshs1.5 billion. That is a drop in the ocean. We do not know how much he has allocated to other security organs of this country. When you look at our nation today and the threat in terms of security as regards to our porous borders, very little money, as far as I am concerned, was allocated to security organs of this country. I think we cannot develop unless security has been taken into serious consideration.

Mr. Deputy Speaker, Sir, the other area which I think is very important to mention here is the constitutional review process. I think we are now hitting the last lap of this process. However, we have obstacles along the way. One obstacle is the creation of so many committees. There are so many consensus building stages. We do not need all these. We need the Bomas Draft to go back to the people. So, we need to be funded for a referendum. Let us take this Bomas Draft to the people of

Kenya to decide. I think that is very important. If the Minister was serious enough, that issue should have been given some budgetary consideration.

Mr. Deputy Speaker, Sir, looking at the Budget, Kshs508 billion is the total Government revenue and expenditure. Looking at the total amount of debt, that is, Kshs780 billion, the Minister allocated Kshs87.9 billion to mitigate the debt relief. I wonder how many years we are going to take to be able to get out of the debt quagmire. The Minister did not tell this country how he is going to get this country out of this debt quagmire. He was just talking routine. He just said: "We have so much. We are doing this and that. We will do that." But he has no tangible measures that he is going to take in order for this country to come out of the debt burden.

Mr. Deputy Speaker, Sir, corruption is a very big issue in this country. It was announced that wealth declaration would be made public. We would have liked that to be effected yesterday, so that the Ministers in the current Government, who claim to be the most clean people, can tell us how much they were worth in 2002 and now. That is the only way we would know whether this Government is serious about eradicating corruption. So, we would like public wealth declaration to take place yesterday and not today.

Mr. Deputy Speaker, Sir, I am very surprised that the Minister used the phrase "a working nation" in his speech. In this country today, we know that majority of the Ministers are not able to answer Questions on behalf of Kenyans. Is that what we call a working nation? A day after the Budget Speech, we have only three Ministers sitting on the Government side. Is that what we call a working Government? I think this Government is taking Kenyans for a ride.

Mr. Deputy Speaker, Sir, turning to the anti-corruption measures, we have not seen any prosecution of culprits. We have a bloated anti-corruption machinery. The anti-corruption commissions are doing duplicated work. How can this Government convince Kenyans that it is carrying out anti-corruption crusades if no "big fish" has ever been brought to book? Is that how the Government professes to be a working nation?

Mr. Deputy Speaker, Sir, the Ministry of Education, Science and Technology took the biggest chunk of the Budget. We want that money to go down to the most needy areas of the Republic. We do not want this money to be spent in what I would call, "the NARC-prone" areas. We want equity. We want what is just and fair in terms of distribution. We want enough teachers and quality education. So, this money should be targeted for those specific areas; not just so much in the Budget and nothing will come out of it.

Mr. Deputy Speaker, Sir, I want to talk about the land policy in this country. We now have people being kicked out of the forests, and yet, we have no policy as to where to take them. The Budget did not address the resettlement aspect. This Government does not know how it can handle Kenyan citizens.

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

**Mr. Kagwima:** Mr. Deputy Speaker, Sir, I want to start by saying that yesterday's Budget was an improvement of what we saw last year. I want to urge the Minister to continue improving on Budget preparation and presentation. As my colleague said, the money that is being channelled to rural areas is welcome. The Constituency Development Fund (CDF) is a good move to ensure that the resources of this country are equitably distributed and availed to the people in the rural areas.

Mr. Deputy Speaker, Sir, I want to go backwards and look at the District Development Committees (DDCs). The DDCs were not officially abolished. They exist. It is unfortunate that the Minister for Planning and National Development has just left. I want to urge the Government to ensure---

**An hon. Member:** He is there!

**Mr. Kagwima:** Yes, he is there! I want to request the Government to ensure that the DDCs are back on their feet. Currently, they are dead. I am saying that because when the money is sent to



departmental heads and District Commissioners (DCs), they sit down and plan how to spend that money; not actually to spend but they plan how to---

Mr. Deputy Speaker, Sir, I want the Minister to note that the District Development Officers (DDOs), who are secretaries to the DDCs, are not functional. Even when you try to utilise them in the CDF, they are not there. They are the bottle-necks. They hold the Authority to Incur Expenditure (AIE) and yet, they are not functioning. I am happy that the Minister has taken note of the same.

When the secretary is not functioning, it is difficult for that body to function. I hope that the DDOs will be re-trained. The DCs also require to be re-trained, so that they are in line with the current planning of the NARC Government.

Mr. Deputy Speaker, Sir, I want to praise the fact that, the Minister has allocated more money for roads in the next financial year. Without infrastructure, especially roads, we do not expect rural areas to develop. Majority of Kenyans live in the rural areas. I request the Minister for Roads and Public Works to ensure that the money that has been allocated is utilised properly.

Mr. Deputy Speaker, Sir, in the past, District Works Officers (DWOs) received money, treated it as their own, formed small contracting firms and gave themselves contracts! So, the money would leave Nairobi and end up in the companies of DWOs. We require to supervise them very closely. If necessary, we need to train them and instil a sense of discipline.

Mr. Deputy Speaker, Sir, I want to repeat that, if the money that has been allocated to roads is properly utilised, I am sure we will see a big impact in the next few years. I saw the Minister around and I want to request him to supervise those people very closely.

Mr. Deputy Speaker, Sir, there are so many other departments, including those which deal with agriculture and water. Yes! I can see the Minister for Roads and Public Works. Now that we have enough money, I hope he will move very fast and ensure that we have roads in the rural areas.

Mr. Deputy Speaker, Sir, even during the past regime, the Ministry of Agriculture received a lot of money. It ranked with the Ministry of Education, Science and Technology and Office of the President. It also receives a lot of money from the donors. They have more vehicles than the DCs. Sometimes, DCs borrow vehicles from various Departments of Agriculture. But, what do they do? What agricultural improvement have we seen? We want the Ministry of Agriculture to ensure that money allocated to it is utilised properly. I am happy there is goodwill on the part of the Government. We have seen what has happened in areas that grow maize. Maize prices have improved a great deal. There was a time when a 90-kilogramme bag of maize would sell for Kshs400. I am happy to note that the same bag is now going for Kshs1,600. That is an incentive to farmers. We would rather spend more, including giving incentives to farmers, than import maize. We would rather even spend more than the farmers are getting, but ensure that we produce our own food.

Mr. Deputy Speaker, Sir, I am also happy to note that coffee farmers got a debt relief of over Kshs5 billion. I am told by those who received the money recently that, in some areas, the payment had gone up as high as Kshs20 per kilogramme. In the past, farmers used to get Kshs1, Kshs2 and, at times, even 50 cents for a kilogramme of coffee. If we can sustain that level of payment to the farmers, I am sure we can revive the coffee industry, which used to be the number one foreign currency earner in the country. If that is done, we can receive the much needed foreign currency to support the growth of our economy.

Mr. Deputy Speaker, Sir, I want to praise the fact that, the Government is working very hard to re-open the Kenya Meat Commission (KMC). That will go a long way to boost other areas that do not grow traditional crops like maize and coffee. It will support livestock farmers. Selling of animals in this country is erratic. You do it individually, depending on what problems you have. Today, you sell a cow for Kshs10,000. The following day, when the need to pay school fees arises, you sell a cow at Kshs5,000. Those farmers just live a subsistence life. They cannot plan or take it as a sustained income generating project. If KMC is opened and properly managed, we shall boost the prices of our

livestock. We shall not only do that locally, but even for export. If we have a good local market, we can negotiate better export prices. I request the Government to put up abattoirs in areas where livestock farming is done seriously. That was a pledge before and after the elections. The animals will be slaughtered in those areas and only meat transported to local and foreign markets. That way, we will save on space.

Mr. Deputy Speaker, Sir, I want to praise the fact that, the Government has put in place 22 Arid and Semi-Arid Lands (ASALs) projects to address drought management and emergencies in terms of food insecurity. But those projects are not properly managed. We want, among others, to ensure that the District Projects Monitoring and Evaluation Committees are revived. They can adequately supervise and check on the application of the funds that are sent there, whether from our own local resources or donors. We only hear about the provincial committees to monitor and evaluate projects. Officially, they are supposed to come from the districts, so that they can check quickly and intervene on misappropriation of funds. But the DCs do not want to hear that because the committees would even check on them. Those committees are there in the books. They are established by an Act of Parliament. So, we need to put them in place. I hope the Office of the President will ensure that those committees are revived.

Finally, Mr. Deputy Speaker, Sir, I want to say that the Constituency Development Fund (CDF) is one of the best things that the NARC Government has ever done.

**Mr. Deputy Speaker:** Order, Mr. Kagwima, your time is up!

**Mr. Kagwima:** With these few remarks, I beg to support.

**Mr. Kipchumba:** Thank you very much, Mr. Deputy Speaker, Sir. I want to comment on this Policy Statement. The overall Budget looks very good from outside, but if you look at it critically, you will realize that it is, indeed, a political Budget. It is, of course, designed on a three-year basis because if you look at the figures, they are talking of 2007/2008 which is good, because they are looking ahead. If you look at Ministries and departments, for example, the Ministry of Agriculture, you realize that there is, indeed, no addition to that sector. Probably, there will be an addition in future. Therefore, it is a very good futuristic Budget. Of course, budgets are futuristic, but this is very futuristic.

Mr. Deputy Speaker, Sir, there is one problem that the Minister would want to correct in terms of collecting revenue on petroleum products from the point of entry. I was just wondering who advises this Government; it is transferring its inefficiencies to the private sector by collecting their money at the point of entry, while the product will be consumed in areas such as Western Kenya after 14 days. Therefore, a businessman has to pay millions of shillings in Mombasa and wait for the product to be pumped by the Kenya Pipeline Company all the way from Mombasa probably all the way to Kisumu, taking 14 days. The taxes that are paid on petroleum products are punitive. For example, a litre of petrol will cost about Kshs25, so that if you are pumping 5,000 cubic metres or 5 million litres, which is the normal batch that is pumped by the pipeline, you will be required to pay to the tune of Kshs125 million. For you to realize the same, you will have to wait for 14 days.

That is why I was wondering why the Government cannot consult the KPC, because petroleum is pumped in terms of batches. Normal size batches would be in the tune of 4 or 5 million litres. Why would we want to punish the marketers and oil companies at the expense of Government inefficiency in collecting its own revenue? Therefore, I think the Government should think, because we are actually killing the small companies that are trying to come up in this country. The only people who can afford to pay Kshs125 million or Kshs300 million in advance and wait for 14 to 20 days are the multinational companies. Therefore, I do not see the rationale for this policy because the taxes on petroleum products are always paid in advance! As you draw the product in Western Kenya or in Nairobi, you pay the tax before you collect the product. So, where is the problem? You say that you want to reduce inefficiencies; which inefficiencies? You, therefore, transfer all those problems to the

private sector. I would, therefore, like to request the Minister to re-examine the rationale and the problems that will be associated with that kind of policy because it cannot work in this country.

Mr. Deputy Speaker, Sir, if we really want to reduce the price of Liquefied Petroleum Gas (LPG), we must reduce the Value Added Tax (VAT) levied on crude oil because it is from crude oil that we get all the other products. If you reduce the VAT on crude oil, the result is that all the products will, therefore, receive some kind of reduction in terms of price. This is the source of inflation in this country. If you really want to check on inflation, you must look at the source and not look at LPG in isolation. Even if you reduce the VAT on LPG alone, which is a by-product of crude oil, you will still have crude oil which attracts VAT and, therefore, the reduction will be very marginal and, indeed, people will not realize it. Therefore, I would like to request the Minister to reconsider this issue. The Minister said that they have employed a management company to run the Kenya Power and Lighting Company (KPLC). We must realize that Kenya has some of the best and most competent personnel in the world, and some of the employees of KPLC who have been retrenched have been employed in countries such as Australia and, in fact, they need more such workers. To the extent that we are going for a management company to run KPLC is really another way of siphoning funds. We borrowed Kshs20 billion from external partners and that management company will probably take away Kshs10 billion out of that amount. Ultimately, we would only have received Kshs10 billion for operations. I am, therefore, requesting the Minister to reconsider the issue of employing a management company to run the KPLC because the managers we have there are competent and they can do a good job. I do not see why we should go for management companies because they will most likely be foreign-owned anyway!

Mr. Deputy Speaker, Sir, I would have wanted the Minister to give the KPLC more money for customer creation, because this will ensure maximum use of available resources. Everybody is saying: "We need electricity", and the KPLC has the capacity to maximize on the already existing lines. All they need to do is to be supported financially so that they can maximize on what is already there, so that we do not have to build new lines. Building new lines all over this country is costly and we cannot afford it in the short-term. Therefore, the best and the easiest thing to do is to ensure that we give them money for a customer creation exercise, which is doing very well.

I want to talk briefly on agriculture. This year, the Minister for Planning and National Development promised us that they will ensure that they commit 11 per cent of the total regular revenue to agriculture because it is the mainstay of this country. But if you look at this Budget critically, there is actually nothing which has been added this year. They are talking of 2007/2008 when, of course, the NARC Government will be finalizing its term, hoping that it will come back again. But we must not take farmers for a ride! Farmers have always delivered their produce to the National Cereals and Produce Board (NCPB) on time, but it takes the Government almost a year to pay them. Why can we not budget properly so that we can pay farmers on delivery? Farmers are not saying: "Give us money"; they do not want money from the Government. But they would like to be paid promptly so that they can plough back the same money and use it for more production. I would have liked to see a situation where the Minister has a deliberate policy to ensure that taxes on diesel, which is used on the farms, receives some special concession. This can be worked out; I know it looks complex, but we must ensure that there is a deliberate policy to assist the farmers. When you tell us that you are giving us Kshs5.6 billion or Kshs6 billion for agriculture, who is getting the money? If we do not make sure that the prices of inputs like fertilizer and diesel, which are used by farmers, go down, how are we helping the farmers? We are not giving them money!

Mr. Deputy Speaker, Sir, the Government must make a deliberate effort to ensure that the price of diesel, that is used in the farms, is reduced. Tractors are not driven on the roads. The tractors that we use in our farms are driven around the farms. When you buy petroleum, you pay Kshs5.8 for the Road Maintenance Levy. Why should we tax diesel that is used by tractors in the farms which are

never driven on the roads? This is something that can be worked out. A reduction of Kshs6 or Kshs5.80 will ensure that the cost of inputs will go down.

Finally, the Government is talking of good governance. This Government has thrown that out of the window. The democracy that it wants to announce is no longer there. The Government is employing mercenaries from KANU to assist them on the other side. The rule of law has been thrown out of the window. This Government came in as a very popular Government to carry out democratic reforms. Yesterday, the Government side was full because of the KANU mercenaries who have been taken there. It is time they were returned.

**Mr. Deputy Speaker:** Order, Mr. Kipchumba! You must know that the words you are using are completely unparliamentary! You cannot refer to hon. Members as mercenaries. I, therefore, order that you withdraw that remark and apologise!

**Mr. Kipchumba:** Mr. Deputy Speaker, Sir, maybe we can use another term!

**Mr. Deputy Speaker:** Order, Mr. Kipchumba! I gave you an order to withdraw and apologise!

**Mr. Kipchumba:** Mr. Deputy Speaker, Sir, I will withdraw the remark and substitute it with another one.

**Mr. Deputy Speaker:** Order, Mr. Kipchumba! You should withdraw the remark and apologise!

**Mr. Kipchumba:** Mr. Deputy Speaker, Sir, I have not been challenged by any hon. Member!

**Mr. Deputy Speaker:** Order! You do not have to be challenged by any hon. Member.

**Mr. Kipchumba:** Mr. Deputy Speaker, Sir, I have apologised---

**Mr. Deputy Speaker:** What is wrong with you? I ordered you to withdraw the remark and apologise.

**Mr. Kipchumba:** Mr. Deputy Speaker, Sir, I have apologised!

**The Assistant Minister for Foreign Affairs (Mr. Wetangula):** Thank you, Mr. Deputy Speaker, Sir, for giving me an opportunity to also laud the Minister for Finance for one of the best Budgets I have listened to in this House.

Listening to the Minister yesterday, one cannot help saying that the NARC Government is on the highway for re-election. If we can do what the Minister stated yesterday, and I have no doubt we are going to do it, I pity my colleagues across the Floor. As we move into the implementation of the Budget, I would want the Ministries concerned to pay attention to particularly the issue of the infrastructure. The Minister for Planning and National Development said here that we are experiencing growth and we want to move from the phase of growth to development. Our infrastructure still remains very bad. Our roads still remain very bad. I would want to think that in the next financial year, the Ministry of Roads and Public Works will do a lot more than it has done in the last two or three years. We would like to see critical highways, like the Mombasa/Malaba Highway, that has virtually been rendered impassable between Naivasha and Timboroa, quickly rehabilitated to ease the movement of goods.

Mr. Deputy Speaker, Sir, with all these growth indicators, accelerated growth will only be assisted, aided and abetted by good infrastructure. We should have good roads, both main and principal highways and the feeder roads. We also have the cost of electricity. This country still has one of the highest priced electricity in this region. When you look at the energy sector, you will find that the problem that we have in that sector is poor capacity. I do not believe, like hon. Kipchumba said, that the problems of the Kenya Power and Lighting Company (KPLC) will be solved by hiring foreigners to run it. I have no doubt that we have enough local manpower to run the KPLC.

I would like to urge the Minister for Energy, hon. Nyachae, who is normally a no-nonsense Minister, not to fall into the foreign trap of thinking that foreigners are better managers than Kenyans. For example, in Mumias Sugar Company, we had foreigners that we were all trapped into believing

that they were good managers. After they left and we hired locals, Mumias Sugar Company is doing many times better than it ever did under the hands of those foreigners. Nzoia Sugar Company was literally technically insolvent, but since the NARC Government came to power and kicked out the white men and handed over Nzoia Sugar Company to local management, for the last two-and-a-half years, the company has generated and paid money to its farmers to the tune of Kshs1.5 billion. The Company still has fairly good liquid on its account. This shows that we should not fall prey to the notion that foreign is better. We have Kenyans who are well trained and who can run our outfits pretty well. The Barclays Bank has posted wonderful profits and it is in the hands of a Kenyan. That is an expression of confidence in our own people.

Mr. Deputy Speaker, Sir, talking of infrastructure, I want to urge the Kenya Airways to re-introduce flights to Eldoret International Airport. The Government spent billions of shillings building an international airport in Eldoret. I do not understand why the national carrier is shunning Eldoret International Airport, an airport that serves a very rich hinterland and has a lot of people who travel through. However, the national airline has given its back to the Eldoret International Airport.

Mr. Deputy Speaker, Sir, the Ministry of Transport should step in and make sure that this critical infrastructure is put into good use. It is nonsense to tell us that there are not enough passengers in Eldoret when there is no airline going there. We should have the airline and then we can tell whether there are passengers or not. I feel embarrassed to see the Emirates Airline flying from the Middle East to land in Eldoret when the Kenya Airways does not want to land there. I would like this issue to be addressed.

Mr. Deputy Speaker, Sir, we also have the issue of railways. Railways always played a critical complementary role to our roads. They were constructed for the haulage of heavy goods, so that we can save the roads. However, who will want to use the train when it takes five days to haul goods from Mombasa to Kisumu? We need a major surgery in the management of our railway system.

*[Mr. Deputy Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, as we talk of increasing the railway mileage to Southern Sudan and Ethiopia, one wonders whether we are going to still have the same inefficient structure that we currently have to manage those extensions. If we have a well working railway system, the Naivasha-Nakuru Road will not be in that pathetic situation. The heavy load that is avoiding the railway system because of inefficiency is destroying the roads.

Mr. Temporary Deputy Speaker, Sir, I want to laud the Minister for lowering or zero-rating taxes on Liquefied Petroleum Gas (LPG), school books and papers used for making school books to cope with our universal free primary education, on computers and computer components to encourage information technology (IT) education. Above all, we should encourage the continuing learning by Kenyans. I want to see a situation where all Kenyans are encouraged to embrace IT so that communication and correspondence becomes easy.

I equally want to laud the Minister for increasing taxation on alcohol and cigarettes. In fact, I would think that at the Committee Stage we should increase taxation on cigarettes so that we can put a deterrent on smoking. This vice has terribly ruined our youths and we need to fight it.

However, no good Budget statistics or planning is going to give this country economic growth if the players in politics do not embrace positive politics. We are preaching and crying for direct foreign investment. We are also encouraging locals to invest in the country. However, who is going to invest when everyday you open our local newspapers, it is like our country is at war? Hon. Members,

leaders, and Ministers in the same Government spend a greater part of their energy undermining each other, fighting, insulting and calling each other names. This disease of quarrelling publicly on literally everything has not done our country well. I want to laud the LDP for crossing the Floor and sitting on the side they were elected to sit. I hope it will hold so that we lower the temperatures and encourage development. We are told that for every single investor who comes to Kenya, four or five go to Uganda and Tanzania because of our bad politics. I want the politicians in this country to realise that the people of this country did not give them a mandate to quarrel, but to lead them.

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

**Mr. Muturi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion. In supporting what my very good friend, Mr. Wetangula, has just been saying, in that spirit, I would also request that the KANU hon. Members, who had been taken to the other side as househelps, can now also cross the Floor and sit on the side to which they were elected to serve their electorate from.

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for my learned friend, who had the privilege of being my roommate at the university, to call his colleagues househelps?

**An hon. Member:** Yes!

**Mr. Muturi:** Yes, in the House, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Muturi! Did you really say that they are househelps?

**Hon. Members:** Yes!

**Mr. Muturi:** Mr. Temporary Deputy Speaker, Sir, I meant to help the Government in the House.

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Muturi! If you made such a reference, just drop it!

**Mr. Muturi:** Mr. Temporary Deputy Speaker, Sir, it is accordingly dropped!

I want to begin from the point at which Mr. Kipchumba spoke; about taxation on diesel. He spoke about the need by the Minister to reconsider, however complicated this exercise will be, the need for a separate regime in the taxation on diesel. Apart from diesel being used in farm machinery and tractors in the farms, we know that even the Kenya Railways also uses diesel. If the taxation on fuel levy is meant to improve roads, then it must really mean that one has to have a very serious fertile mind to imagine how locomotives on rail lines will spoil our roads and, therefore, be required to pay tax in the form of Fuel Levy. I want to request that the Minister considers that request for a different form of taxation on diesel.

A point has been made and, I want to associate myself with those who have done so, about the allocation in this year's Budget that goes to rural electrification. I want to add that, earlier in the morning yesterday before the Minister for Finance came to deliver his Financial Statement, we had been discussing a Motion about the need for computer education in all schools in the country. As of now, I indicated that I think our greatest drawback in being able to address the question of information technology (IT) is the fact that we really have no electricity in the rural areas. Even as much as we want to join everybody in the world in saying that it has become a global village---

*(A phone rang in the Chamber)*

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, hon. Members! Whose phone is that?

Proceed, Mr. Muturi!

**Mr. Muturi:** Mr. Temporary Deputy Speaker, Sir, even as we want to be heard by everybody saying that the world has become a global village, we know that our own villages in this country

cannot be said to be part of that so-called global village, if part of the reason and the driving force behind that statement is IT.

I would request the Minister for Finance to ensure that the five projects allocated to every district under REP are implemented within the course of this financial year. It is a cliché that everyday Questions are being asked here about when certain areas in our constituencies are going to have electricity.

Mr. Temporary Deputy Speaker, Sir, other than what I would really call a perfunctory mention in the Financial Statement, I did not see any substantial allocation to ASAL areas to address the question of persistent drought. This cannot happen unless we address the question of irrigation. This unfortunate situation happens against the backdrop of huge resources that we spend year in, year out paying for importing cereals into the country. I hope the Minister will take into account the importance of these dry areas. Even as much as he appreciated, in a cursory manner, that those areas though not deemed to be potential could hold the secret behind the real growth in the country---

Mr. Temporary Deputy Speaker, Sir, I want to comment a bit on the CDF because the Minister mentioned about it. My observation is that in as much as every Minister, whenever they are addressing any gathering, everybody's mouth talks of CDF, you would think that actually the Government operates through the CDF. I think if we appreciate that the CDF is doing such a good job in our countryside, we need to also applaud the Minister in making the small increase that he has proposed in the Budget but urge that we too as hon. Members must adhere to the law that governs the operations in the constituencies to avoid certain areas being dragged behind by debilitating court cases which we read every now and then about certain operations.

Mr. Temporary Deputy Speaker, Sir, I still do not believe that the process of budgeting is transparent enough. I just had a cursory glance through some of the proposals the Minister made with regard to some of the miscellaneous taxes that he intends to do away with. My observation in this regard is that the Minister for Finance needs to reproduce the various provisions of existing laws that he intends to amend or repeal; that is the existing ones against the proposed amendments and/or repeal so that when we read through them we know that the Minister really is going to do this or the other. A very good example is that, when a proposal is made that we want to do away with Stamp Duty which I just came across in the miscellaneous provisions, I see as if the reason is not very genuine that the Minister wants to consult only with the Minister for Lands and Housing in order to make decisions about exemptions. On the contrary, the Minister should actually consider limiting the areas of such discretions to give exemptions under the Stamp Duty Act. This is proposed in the Minister's Budget Speech.

Mr. Temporary Deputy Speaker, Sir, on the question of the rule of law and indeed on the question of a lean Government, I think I do not need to say it since it has been said that this Government has been known to have come to power with the clamour to be lean but we now know that it is one of the most bloated especially at the Cabinet level. I would just urge the Minister to ensure that since they appear hell-bent to continue increasing the numbers in the Cabinet, to continue limiting the number of facilities and not just the cars. He should limit the number of facilities the Government wants to offer in order to keep inviting those hon. Members who want to become Ministers and Assistant Ministers. He should limit the number of facilities given to them to stop excess consumption within the Government.

Mr. Temporary Deputy Speaker, Sir, on the question of the rule of law, the Minister for Finance mentioned that they are heavily committed and they are allocating huge sums for judicial reforms. However, it is common knowledge that this Government has really no regard for the rule of law because how do they, in total and blatant disregard of the law grab hon. Members of this side of the House? The law exists that bars it and they still continue feeling comfortable and happy about it and telling us that now they think the LDP has done them a good job by crossing over and yet they are

not willing to donate that which they had actually "stolen" from this other side.

With those few remarks, I beg to support.

*(Applause)*

**Mr. Wamwere:** Bw. Naibu Spika wa Muda, nashukuru kwa nafasi hii na mimi nichangie juu ya Bajeti. Ningetaka kuanza kwa kumfahamisha Waziri wa Fedha ya kwamba ni maoni yangu ya kwamba kumaliza umaskini kunahitaji zaidi ya kukuza uchumi. Katika taarifa yake, Mhe. Waziri anatuambia ya kwamba anaamini kwa vile uchumi umekua kwa asilimia 4.3, kwa hivyo umaskini utapungua nchini. Ningetaka tu kumkumbusha methali moja ya Kiswahili isemayo ya kwamba: "Kuvua numbi si kazi, kazi ni magawioni". Hata tukuze uchumi huu kwa kiasi gani, kama hatukukumbuka kugawana matokeo ya uchumi huo, tunaweza tukakua hata kwa asilimia 10 lakini bado tukaendelea kuwa na maskini chungu nzima. Kwa hivyo, hilo jambo ni lazima lizingatiwe na ni lazima Waziri ajifunze kuongea juu ya ugavi bora; maneno ambayo anayahepa namna mtu anavyohepa ukoma.

Bw. Naibu Spika wa Muda, jambo lingine ambalo ningetaka kusema ni kwamba wengi wameongea na kusema ya kwamba Bajeti hii ilikuwa ni Bajeti ya maskini kwa sababu kuna vitu kadhaa ambavyo viliondolewa ushuru na kodi. Jambo ambalo lilingishangaza kidogo ni ingawa Waziri alikuwa shujaa sana wa kusema ya kwamba bei ya pombe imepanda kwa kiasi hiki, bei ya sigara imepanda kwa kiasi hiki, alipokuja kwa bidhaa muhimu kama vile unga na maziwa, alisema ya kwamba ameondoa ushuru lakini hakutoa amri kusema ya kwamba bei ya unga itapungua kwa kiasi cha ushuru ambao nimeondoa.

Bw. Naibu Spika wa Muda, kwa hivyo, ningetaka kukutolea changamoto. Unapokwenda nyumbani, pitia dukani uone kama bei ya unga au maziwa imepungua. Kama haijapungua, na ninaamini haijapungua, nitasema ya kwamba sio sawa sisi kusema kwamba hii ni Bajeti ya maskini. Pia mafuta ya taa yameondolewa kodi lakini bei yake ilipunguzwa jana? Haikupunguzwa! Watu wameachwa katika huruma ya wafanyabiashara. Anayeza mafuta taa anaweza kupunguza bei au asipunguze na ni maoni yangu kwamba wafanyabiashara wengi hawatapunguza. Tumeona bei ya petroli ikianguka katika soko la dunia lakini hapa kwetu ukienda vituoni vya kuuza mafuta unakuta kwamba bei yake ingali pale pale. Wanakataa kupunguza na uwezekano huu ni mkubwa sana ya kwamba hata haya mafuta ya taa yaliyopunguziwa ushuru yataendelea kuuzwa kwa bei yake ya zamani.

Bw. Naibu Spika wa Muda, pia tuliambiwa kwamba ushuru uliokuwepo kwa vithibiti mwendo na mikanda ya kujifunga katika matatu iliondolewa ushuru. Lazima ujulize kama leo, nauli ilipunguka au haikupunguka kwa wasafiri ambao wanatumia matatu kwa sababu kama haikupunguka, basi watu wamerubuniwa ya kwamba hii ni Bajeti ya maskini? Hii ni Bajeti ya wafanyabiashara na hawa ndio watakaofaidika na sikuona ni kwa nini Waziri alithubutu kutoa kodi lakini akaogopa kusema kwamba angetaka bei za bidhaa zilizoondolewa kodi zipunguke kwa kiasi hicho hicho. Aliogopa kwa nini kama anataka maskini waamini ya kwamba hii ni Bajeti yao?

Bw. Naibu Spika wa Muda, ushuru uliondolewa kwa madawa, lakini ukienda kwa maduka ya madawa, bei haijabadilika. Tutawezaje kusema kuwa hii ni Bajeti ya maskini. Tunarubuniwa bure! Ni lazima Waziri ajifunze kusema ukweli kwa mambo haya, kwa sababu ikiwa bei hazitapunguka, wananchi watasema kuwa walidanganywa. Serikali itasema nini?

Kama hii Bajeti ilitakiwa kuwasaidia maskini, basi ingefaa kupunguza bei ya mbolea. Wakulima wamekuwa wakilia, wakisema ya kwamba bei ya mbolea imekuwa ghali. Waziri alisema ya kwamba ameongea na watu wengi walipokuwa wakitayarisha Bajeti hii. Lakini, je, aliongea na wakulima? Kama aliongea nao, kwani hawakumwambia ya kwamba wanataka bei ya mbolea ipunguzwe? Ikiwa walimwambia hivyo, no kwa nini hakuwasikiza? Tuliambiwa kwamba, pia aliongea na Wabunge, ilhali mimi sikuongea naye. Waziri aliongea na Wabunge gani?



Ikiwa Waziri atasema kwamba aliongea nasi, anafaa aongee nasi. Lakini haifai kusema kwamba anaongea nasi lakini hafanyi hivyo. Itawezekanaje kumwamini kwa mambo mengine kama amesema mambo ambayo siyo ya kweli kutuhusu? Kwa nini asituambie mengine ambayo hatutaamini?

Bw. Naibu Spika wa Muda, ningependa kumpongeza Waziri kwa kuongeza mishara ya walimu na wafanyakazi wa Serikali. Lakini alikosea alioposema ya kwamba mishahara hiyo itaongezwa tena baada ya miaka miwili. Kama Waziri atakuwa na haki ya kufanya hivyo ingestahili asipandishe bei ya bidhaa kwa wakati huo ambao watu wanangojea mishara yao kutazamwa tena. Haifai kusema ya kwamba mishahara itaangaliwa baada ya miaka miwili na huku bei ya unga, nauli na bidhaa zingine inapanda. Hapo kutakuwa na udanganyifu kwa sababu mishahara unaweza kuongezwa kwa mkono huu na kupunguzwa kwa mkono mwingine.

Tunafaa kuwasaidia watu wetu wala siyo kutengeneza Bajeti ambayo lengo lake halisi ni ujanja wa kisiasa. Watu wetu hawawezi kushiba kwa ujanja wa kisiasa. Lazima wapewe ukweli ulivyo. Tukisema tunataka watu wanufaike na kuboresha maisha yao, ni lazima tufanye mambo ambayo yatasaidia kuleta gharama ya bidhaa chini.

Bw. Naibu Spika wa Muda, kuna wakati ambao bei ya bidhaa ilikuwa inadhibitiwa katika nchi hii. Hii ilisimamishwa baada ya Rais Kenyatta kuondoka. Nimejiuliza mara nyingi, ni kwa nini Serikali hii inaogopa kurudisha price controls? Soko huru ni kitu gani? Watu wanakufa kwa sababu ya umaskini, na huku tunaongea juu ya soko huru. Itamfaa nani? Hawa wazungu ambao wanatuambia ni lazima tuwe na hiyo soko huru, je wao wana soko huru na watu wao wanakufa?

Kama hii Serikali inataka kuwa shujaa ambayo inaweza kufanya mambo ambayo yatafaidi watu wake bila uoga, lazima iwe tayari kurudisha udhabiti wa bei, hasa bei ya vyakula, nguo, madawa na maji. Zamani maji hayakuwa yanauzwa. Hivi sasa, maji yana gharama kubwa kuliko petroli. Waziri hakukumbuka kutupunguzia bei ya maji. Ni muhimu Serikali kuelewa ya kwamba ni makosa makubwa kwa watu kununua maji ambayo yanapatikana bure.

Bw. Naibu Spika wa muda, jambo lingine ambalo lilingishangaza katika Bajeti hii ni kwamba waathiriwa wa vita vya kikabila hawakutengewa pesa zozote ili wasaidiwe kurudi kwa makao yao na kujenga nyumba mpya baada ya zile walizokuwa nazo kuchomwa wakati wa vita.

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

**Mr. Wamwere:** Ninaomba kuunga mkono.

**The Assistant Minister for Foreign Affairs** (Mr. Ojode): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me an opportunity to contribute to the Budget Speech. Let me say that the Budget was not a bad one; it was a Budget for the poor. I think as a Government, we have tried this time round.

However, there are some small areas which were not covered by those who were preparing the Budget. We have been told that the Government will not levy VAT on tractors. But the implements like the trailer, plough and harrow are all part of the tractor.

We are sustained by agriculture in this country, and there is no way we will ever succeed in farming and give our people enough food when we do not zero-rate farm implements. If you do not reduce the price of fertilizer, you are doing zero work. Fertilizers should be zero-rated if we want to be the granary of this country and to feed our people without any problem. If we have enough food we will reduce poverty. If we do not have enough food we will increase poverty and HIV/AIDS will still be rampant.

Mr. Temporary Deputy Speaker, Sir, I attended the celebration of the African Child Day in Homa Bay. I was informed that Homa Bay District which has two constituencies; Ndhwa Constituency which I am the area MP and Rangwe has 35,000 orphans because of the HIV/AIDS. The genesis of the problem is poverty. What will we do with these 35,000 orphans? Where will we take them? The Government needs to do something. Whoever was making this Budget should have allocated some funds to fight poverty, specifically in Homa Bay District. I was perplexed when I read

the Economic Survey Report which rated Kuria as the most affected in terms of poverty and yet it is Kuria District which feeds us in Homa Bay. I believe that Economic Survey Report was doctored and we are not going to accept it. In fact, as we speak, the poorest constituency is Ndhiwa followed by Nyatike.

**Mr. Muturi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Assistant Minister in order to say that the Economic Survey Report that was released was doctored, when this very afternoon, the Minister in charge, Prof. Anyang-Nyong'o, has been praising the work of the Central Bureau of Statistics which produced that report?

**The Assistant Minister for Foreign Affairs** (Mr. Ojode): Mr. Temporary Deputy Speaker, Sir, that is a point of argument and I will not give it a rejoinder. However, I am being very honest. The poorest constituency in Kenya today is Ndhiwa followed by Nyatike. I am saying that because my people do not--- As a matter of fact, last year, all our cattle died of Sleeping Sickness. If the Ministry of Finance has not allocated enough money for the eradication of tsetse flies--- I have always pleaded in this House that my area needs to be chemically sprayed both from the ground and aerially in order to eradicate tsetse flies, but my pleas have not been heard. I understand that there is a Ministry that is in charge of livestock and fisheries. The situation in my constituency is so bad that my constituents cannot take their children to school simply because they do not have cattle. In Ndhiwa Constituency, cattle are our rural bank. This time round, if the Ministry of Finance does not allocate some money for the eradication of tsetse flies, I will not support the Vote of the Ministry of Livestock and Fisheries Development.

Mr. Temporary Deputy Speaker, Sir, another issue is the implementation of the Budget. There is no need for us to keep on foot-thumping in this House when, in fact, the Budget, on the ground, is not properly implemented. Why should we applaud the Budget Speech? What is the use of reading the Budget Speech and yet the manufacturers refuse to implement what the Minister has proposed in his Speech? We should have some checks and balances. Perhaps, we need to set up a department whose main concern will be to deal with the aspect of implementation so that whatever is said in this House is implemented fully, immediately.

**Mr. Muturi:** That means creating another Ministry!

**The Assistant Minister for Foreign Affairs** (Mr. Ojode): Mr. Temporary Deputy Speaker, Sir, I would want the Ministry of Health to supply drugs to Homa Bay District. People are dying of HIV/AIDS and as I said before, it is as a result of poverty. If we can alleviate poverty, then we will save so many lives.

I am happy that the Minister, in his Budget Speech, considered the revival of the cotton industry. About Kshs250 million has been included in this year's Budget for us to revive the growing of cotton. I want to appeal to the constituents of both Rangwe and Nyatike to consider growing cotton. Let them take that chance so that they can have enough food.

Mr. Temporary Deputy Speaker, Sir, I am surprised that the Budget did not address rural industrialization. I would request my colleague, the Assistant Minister for Finance, hon. Obwocha to introduce industrialization in the rural areas. That way, we will reduce the rural-urban migration. You know how difficult it is to live in the urban areas. In Ndhiwa Constituency, if we were given plants and other machinery, we could make a lot of bricks.

Let us have rural electrification. I was being told that the Ministry of Education, Science and Technology wants to supply computers to various schools. Can that really happen when there is no electricity? How will those computers work? Will they use solar power? Let the Ministry of Education, Science and Technology supply solar systems and generators or challenge the Ministry of Energy to speed up rural electrification so that when they supply the computers, they will be used without any problems. However, you cannot start from the top moving to the bottom. It is always from the bottom to the top. So, if the Ministry is going to allocate so much money to computerisation

of schools, let them also strive to get electricity in these schools.

The road network in my constituency is pathetic. There is a road called Rodi K'opany-Karungu, C18. I have been talking about it now and again. This time, if this road is not tarmacked, you will not see me in this House in the year 2008 unless a miracle happens. There is need to allocate money to recarpet Rodi-K'opany-Karungu Bay Road. The length of that road is only 44 kilometres and it requires only Kshs200 million to recarpet. Is that a lot of money for the Government? When will that road be tarmacked?

**The Assistant Minister for Finance** (Mr. Obwocha): We have given you enough money!

**The Assistant Minister for Foreign Affairs** (Mr. Ojode): The Assistant Minister for Finance, Mr. Obwocha, says that he has given us money, but when you look at---

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Ojode! Please, address the Chair.

**The Assistant Minister for Foreign Affairs** (Mr. Ojode): Mr. Temporary Deputy Speaker, Sir, if you look at the Votes, there is no money that has been allocated for the reconstruction of the Rodi-K'opany-Karungu Bay Road. This is a very serious matter and we should not laugh about it. I am very annoyed.

**The Assistant Minister for Finance** (Mr. Obwocha): Mr. Temporary Deputy Speaker, Sir, on a point of information. If hon. Ojode had really looked at the printed estimates, he would have realised that, this year, we did not specify allocations for any roads. We have allocated lumpsome money to districts so that they can take care of their roads.

**The Assistant Minister for Foreign Affairs** (Mr. Ojode): Mr. Temporary Deputy Speaker, Sir, that is a big lie.

I am sorry, Mr. Temporary Deputy Speaker, Sir. Allow me to withdraw that word. However, the Assistant Minister for Finance is misleading this House. Rodi-K'opany-Karungu Bay Road requires over Kshs250 million for reconstruction and yet what is provided in the printed estimates is only Kshs110. What type of road can that money reconstruct? Perhaps, it can be used to construct smaller roads like the one that leads to hon. Ochilo-Ayacko's place; that is, the Homa Bay-Rongo Road. Hon. Ochilo-Ayacko does not even visit my constituency because there is no good road for him to use. I want that road to be reconstructed. If that is not done, you will not see me here in 2008.

Mr. Temporary Deputy Speaker, Sir, in Ndhiwa and Karungu Bay, fishing is the mainstay of the people there. The Government ought to have zero-rated the fishing gears. The only good thing the Government has done is to zero-rate the importation of refrigerated vehicles.

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

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

The Budget Speech, which was read yesterday, is for the rich man simply because the Government; year in, year out, prepares the Budget Speech and yet it does not implement whatever is contained therein. Last year, the Government, in the Budget Speech, announced that the price for cooking gas had reduced by almost 10 per cent. However, the price was reduced only for one week because the following week it went up again.

Mr. Temporary Deputy Speaker, Sir, the Government is fond of saying lies.

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Koros! Use only parliamentary language.

**Mr. Koros:** Mr. Temporary Deputy Speaker, Sir, recently, the Minister incharge of the planning docket announced that the economy of our country had grown by 4.3 per cent, but the reality is that our economy is declining. Kenyans in the rural areas are not able to buy even a litre of kerosene. Most of them use firewood for lighting purposes. I wonder how it can be said that our economy is growing when Kenyans have no money in their pockets.

Mr. Temporary Deputy Speaker, Sir, there is a lot of noise emanating from the Cabinet

Ministers. Why is the President increasing the number of Ministries every now and then? Right now, the Cabinet has about 30 Ministers and yet they were complaining that the previous regime had a bloated Cabinet. The present Cabinet Ministers are only there to steal.

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Koros! You better be sure about the words you use in this Chamber.

**Mr. Koros:** Mr. Temporary Deputy Speaker, Sir, when this Government was---

**The Minister for Gender, Sports, Culture and Social Services** (Mr. Ochilo-Ayacko): On a point of order, Mr. Temporary Deputy Speaker, Sir. You heard the hon. Member use the word "steal" and yet, he has not withdrawn it.

**The Temporary Deputy Speaker** (Mr. Khamasi): Mr. Koros, could you, please, withdraw it and apologise to the House before you proceed?

**Mr. Koros:** Mr. Temporary Deputy Speaker, Sir, I withdraw it and apologise to the House.

**The Temporary Deputy Speaker** (Mr. Khamasi): All right, proceed!

**Mr. Koros:** Mr. Temporary Deputy Speaker, Sir, during the campaigns for the General Elections in 2002, this Government promised Kenyans that they would fight corruption. But to date, we have not seen any change in this area. It is a pity that Kenyans are now poorer than they were when this country attained Independence in 1963. Since the NARC Government came to power, it is almost impossible to find an ordinary Kenyan with at least Kshs100 in his or her pocket. In the previous years, one could even find street urchins with Kshs200 in their pockets.

Mr. Temporary Deputy Speaker, Sir, the Minister, in his Budget Speech, said that there would now be a single rate of 20 per cent on all excisable motor vehicles regardless of engine capacity. However, this will only benefit the rich. This is because no common man will buy those big vehicles.

Mr. Temporary Deputy Speaker, Sir, recently, civil servants went on strike demanding better remuneration. However, it was a shame for the Government to sack innocent civil servants who were just demanding for their rights. The Government should have negotiated with them to understand their plight. It is quite unfortunate that for the last 20 years, civil servants' salaries have not been reviewed. We all know that the living standards have gone up. Therefore, the Government must review their salaries by 600 per cent. If for the last 10 years, a civil servant has been earning, for example, Kshs3,000, his or her salary should be reviewed because prices of commodities in the market have also sky-rocketed. One wonders whether Kshs3,000 is enough to sustain an individual these days.

Mr. Temporary Deputy Speaker, Sir, the Minister did not mention anything on agriculture. We know that agriculture is the backbone of our economy. There are many problems facing this sub-sector. It is sad that farmers who delivered their maize in February this year to the National Cereals and Produce Board (NCPB) have not been paid to date. Recently, the Government waived duty on imported wheat. How are farmers expected to survive when they have not been paid their dues? This is a big shame.

Mr. Temporary Deputy Speaker, let me conclude by saying that this Government will be judged harshly by Kenyans for making them poorer than they were a few years ago.

With those few remarks, I beg to support.

**Mr. M'Mukindia:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Budget Speech. In general, I tend to agree with my colleagues that, indeed, this was a welcome Budget, especially the fact that very few taxes were increased. In fact, taxes were only reviewed upwards for luxury products such as beer and cigarettes.

I would like to congratulate the Minister and the Government as a whole, for focusing on new areas like the forestry industry. For example, if you plant trees such as eucalyptus, pine and cypress, you will be able to recover the cost. In that respect, this Budget brought about a bit of initiative although there is a lot that could be done in this area.

One of the areas I find difficulty in, despite having supported the Budget, is agriculture. I do

not believe that agriculture is getting adequate attention in terms of funding. While we welcome the fact that, for example, the cotton industry may be getting an injection of Kshs250 million this year, I believe that is not adequate. We need a lot more money to go into the agricultural sector, specifically the cotton industry.

We have lost close to 10,000 workers from the Export Processing Zones (EPZ). If you count the amount of money that those employees earn with each earning an average Kshs3,000 per month, we are talking of close to losses of Kshs30 million every month. If you look at other earnings, for example, taxes and the multiple effect, in fact, we have lost a lot more. If we do not inject capital into the cotton industry urgently, more than the Kshs250 million that is allocated in this Budget, we will not take advantage of AGOA. We will lose to the Indians and the Chinese. Therefore, we will not achieve some sort of industrialization or improvement in the agricultural sub-sector.

Mr. Temporary Deputy Speaker, Sir, I also welcome the fact that very soon, the Government will bring the Cotton and Pyrethrum Bills to this House. I do not know how soon the Minister will do this, but this should be done very urgently.

The removal of duty on Liquefied Petroleum Gas (LPG) and Kerosene is welcome. However, I join my colleagues who have spoken earlier on the issue of taxation of diesel. For all intents and purposes, diesel or automotive gas oil is essentially an industrial input. If we really want to help *wananchi*, we have to reduce the cost of transportation. If we want to help farmers, we have to reduce the cost of ploughing and circulation of their goods to the market. If we want to help industries in reducing their costs of input, we need to reduce, or eliminate any taxation on diesel. This is an area that the Minister for Finance should look into urgently. He does not have to wait until the next Budget. It is absolutely necessary that the Minister considers reducing duty and VAT on diesel.

Mr. Temporary Deputy Speaker, Sir, we are aware that the informal sector employs over seven million Kenyans as opposed to about 400,000 Kenyans employed by the so-called formal sector. The formal sector, as we all know, is very ably represented by the Kenya Association of Manufacturers (KAM) and the Federation of Kenya Employers (FKE) who have a major clout and influence on what the Minister of Finance puts in his Budget. Who represents the seven million Kenyans working in the informal sector; the *Jua Kali* artisans? Members of KAM do not pay VAT on their manufacturing inputs. They are zero-rated for raw materials, equipment, power and industrial fuel input. It is surprising, and it is such a major contradiction, that the industry that employs the seven million Kenyans continues to pay VAT and Excise Duty on electricity, equipment and fuel, among others. However, they have no way of reclaiming that money from the Government. Mr. Obwocha knows very well that we are cheating Kenyans that we are remitting or giving them some sort of relief in this area. We are only shielding the so-called formal manufacturers. The challenge to the Minister and the Government is, how will they give relief to this sector which employs majority of Kenyans?

Mr. Temporary Deputy Speaker, Sir, a lot has been said about the so-called Millennium Development Goals (MDGs). These are essentially social and noble goals. I support the fact that we must ensure that we achieve these goals. Just to mention a few, the MDGs include promoting gender equity, universal primary education, reducing hunger, poverty reduction and child mortality among others. However, according to this Paper, these require over Kshs44 billion over a ten-year period to be achieved. However, how do we achieve the goals? The purpose of this Paper is to prioritise public resources and also make us continue to depend on our development partners. I beg to strongly differ with its ideas.

The only way we can eradicate poverty in this country is by having major economic development. This does not depend on development partners or prioritising our domestic resources. We have already done that. We are spending a huge sum of money on education. We are doing many things for the health sector. We need to spend more money in the agricultural sector. How else are we supposed to prioritise our economic resources? This is a Paper that was written by a bureaucratic

group of people in the Treasury. They merely put words on paper. There is nothing else that they did. What does this mean in terms of actual performance? If I ask Mr. Kinyua what he means by prioritising our resources, would he say that it means moving more money from the health to the agricultural sector or from other areas where it is not even enough? These are just words. We need to ensure that our economy comes first. How do we do this? What the Minister has done is okay. But unless we fund the productive sectors, agriculture being number one, we will not achieve the MDGs; we may as well forget about them. If we do not address the issue of industrialisation on a long-term basis, we are wasting our time. If we do not fund and give tax relief to the *jua kali* artisans, who are employing over 7 million Kenyans, then we are wasting our time because the artisans will not expand their businesses and have more capital and technological base which creates more employment. These goals will not be achieved.

There are other sectors where obviously, nothing has been achieved, such as the fishing sector. How much has been put into fishing this year? Nothing has been put, despite the fishing sector being totally unexploited. It is only lake fishing which is slightly exploited. How about ocean fishing? No fish is caught from the ocean in Kenya. No tuna fish are caught in Kenya. They are only caught by the Chinese and Koreans.

The Minister for Environment and Natural Resources promised me a year ago, that he would bring a mining Act Review. Up to date, he has not done that.

I beg to support.

**The Minister for Gender, Sports, Culture and Social Services** (Mr. Ochilo-Ayacko): Thank you very much, Mr. Temporary Deputy Speaker, Sir for giving me an opportunity to contribute to this Motion. I have been in this House for a number of years and I have seen many Budgets being read and applauded. But I must confess that this is the best Budget I have heard in a long time.

Kenyans elected us on a reform ticket. They wanted us to reform and outlaw corruption. Honestly speaking, in the current Budget, there is some money to strengthen administration of justice and to buttress institutions that will fight corruption. I think this is a Budget that is intended to strengthen institutions and address some of the key areas that Kenyans used as a yard stick to vote out KANU and vote us in. In this very Budget, there is an amount of money which is intended to capture the referendum that all of us are looking forward to. With the new found unity in the Government, it is a visible and foreseeable dream that sometime towards the end of this year, we are likely to have a new Constitution and the referendum will be a reality. People who are pessimistic that our Government is not committed towards the delivery of a new Constitution should see that commitment in the amount of money that is captured in the Budget, which will be used for the referendum. We hope that Kenyans will come out in large numbers and vote for the Constitution that should unite us and do away with the vices that have divided this country and occasioned animosity, tribalism and all sorts of discrimination. This is a good Budget. It is a Budget that did not make life difficult for the man on the streets. Many people are on the streets looking for employment, what to eat and wealth. This Budget has captured the fact that in spite of having our economic growth at 4 per cent, there are still many people facing difficulties owing to inflation.

It was very kind of the Minister to consider these people and not target them for taxation. The Minister targeted taxation in areas of luxury and particularly, in products that are harmful to our health like cigarettes and beer. I am sure that the kind of taxation which is earmarked in that area is still not inhibitive. It is one that will also allow those areas to operate and continue generating wealth for those who have invested in it. If you look at the Budget, you will see that it is investor friendly. It intends to remove certain inhibitions in way of licences that affect investment. It is also a Budget that touches on an area which is a major economic earner; the horticultural sector. This sector is a major employer and economic earner. The implements used in that area have been zero rated.

There are also certain things which touch on the female gender. These are, for instance,

sanitary towels and pharmaceutical products which touch on all of us. I think that zero rating of those products is also very welcome. What is important to every hon. Member and citizen of this country is that, in the Budget, the Constituency Development Fund (CDF) has been catered for. Every constituency in this country is earmarked to receive money on the basis of its poverty level and its population. I think what every Kenyan has been clamouring for is equitable distribution of resources. That is expected to be addressed in the new constitutional dispensation. But even before that comes to light, provision of the CDF is the greatest idea that our Government is implementing. This is an idea that you fought for very hard. All hon. Members who were in this House fought for it very hard. It was resisted very seriously by the KANU administration. I think that is part of the reasons why the KANU administration got a kick on its butt because it did not want resources of this country equitably shared. I want to appeal to my colleagues in this House to set aside part of the CDF for promotion of sporting. It is through sporting that we can have a cohesive society. It is through sporting that we can promote virtues like peace, justice and fight the HIV/AIDS pandemic. If every constituency set aside Kshs500,000 to promote competitive and mass sports, I can assure you that the youths of this country would have an opportunity to exercise their right to play. Even before a child is born, it kicks in the womb of the mother. That is an indication that, before a child is born, he/she is a great footballer. So, if hon. Members, in all constituencies, could use part of those funds to ensure that children exercise their right to play--- Playing and the spirit of sportsmanship creates harmony among the various communities that we come from. If part of that Fund is used to promote our culture--- Bad culture is what has been the undoing of our country. The countries that we attained Independence together, that is the tigers of the East, have a culture of hard-work, patriotism and that of shunning crime. If we use a bit of that money to promote our unique qualities that have existed in our communities, we will shun some of the things that give us a bad name and embrace those that give us a good name.

Tourists come to this country to see certain unique things. Most of those unique things are our cultural heritage. They come to this country to look at what is truly Kenyan about us. Many of them get disappointed when they find us dressed in three-piece suits trying to speak like people from Bill Gates' country. It is important for us to promote our own languages and have our own delicacies. Many Kenyans shun wonderful foods like *mrere* or *githeri*. They flock to China Plate Restaurant to eat Chinese foods or indian dishes. It is important for us to promote certain qualities that are uniquely ours. If we love ourselves the way we are supposed to, then many people will flock to this country to see why we love ourselves.

Mr. Temporary Deputy Speaker, Sir, I know that there are certain shortfalls that were not provided for in the Budget. But if the hand that is distributing is impeded by limitation, then those shortfalls will always be realised. I know that the area of infrastructure and roads is very important. But because of constraints in terms of funding, many roads were left aside. We have an example of some that Mr. Ojode cited.

Mr. Temporary Deputy Speaker, Sir, I was very impressed that expenditure on health has been enhanced. A healthy nation is a wealthy nation. Without proper health facilities and access to Anti-Retroviral drugs (ARVs), our people will continue being poor and unproductive. So, that increase of expenditure in health is wonderful.

The increased budgetary provision for education is a great idea. Great democracies have been founded upon knowledgeable and educated people. This country has a high level of illiteracy among school-going people and adults. Therefore, the provision of more money for education is good for this country. If we do not invest in social issues, we are doomed to fail. Even if you had the greatest roads on earth, but your people are not educated, they will miss out on agrarian and mechanised revolutions. It is important, besides the free primary education, to invest in technology and knowledge. When we have a knowledgeable country, people would make informed choices. We shall have people who are

able to elect between right and wrong. We will generally have civilised people who do not do anything to offend others.

With those very few remarks, I want to record my support for the Motion.

**Mr. Serut:** Mr. Temporary Deputy Speaker, Sir, I rise to join my colleagues to support this Budget. I am one man who was impressed by the Printed Estimates that were read in this House by the Minister for Finance yesterday. I come from Mt. Elgon Constituency. Nobody knew that it existed in Kenya! But, as I speak now, it is known. That is because when the NARC Government came to power, it was able to put in place the Bursary Fund, the Constituency Development Fund (CDF), the free-primary education and, at least, revived the Agricultural Finance Corporation (AFC). I appreciate that the CDF has now been increased to Kshs7.2 billion. But the only small problem that I have with the CDF is that the Minister for Finance, through his assistant who is seated here, should not wait until hon. Members ask for it. That money has been set aside and, before it is released, proposals have already been made by the communities through their Members of Parliament. So, why should there be delay? In fact, as I speak today, the second tranche of 50 per cent has not been released. The reason is not known. The money should be released immediately after the proposals are presented before the Committee.

Whereas I appreciate the amount of money that has been set aside to revive the AFC, I have a problem with the Ministry of Lands and Housing. There is no AFC money which can be given without collateral. Those poor farmers in Mt. Elgon, Rachuonyo and other places cannot access those funds without the normal collateral which is demanded from them, which is the title deed. As I speak now, the Minister for Lands and Housing has gone ahead and said that title deeds are mere pieces of paper. He said it in this House and he has never withdrawn that statement. Nobody respects a title deed even at the AFC. So, what do Kenyans have to give as collateral before that money is released to them?

Mr. Temporary Deputy Speaker, Sir, there is also the issue of succession. The law of succession has complicated matters further for those who have title deeds and are able to sub-divide their land. If their parents have died, they are told to go to court. Since Mr. Ochilo-Ayacko is a lawyer, he should assist this Government simplify the law of succession such that, when somebody dies, all you require is evidence of death. The land should then be sub-divided and title deeds issued, instead of going into long processes of gazettelement and filling court cases. That will enable our people to get title deeds for their small pieces of land, deposit them as collateral and get that money. Otherwise, those funds are still meant for the rich who can get title deeds, use some influence and get the money.

Mr. Temporary Deputy Speaker, Sir, free primary education has done this country proud. That is from Standard I to VIII. But, in the current world, as a nation, have we sat down and asked ourselves: "If we are able to offer free primary education to Standard VIII, what happens thereafter?" We are giving bursaries to secondary schools but, are those bursaries enough to meet our obligations? I would like a situation where the Minister for Finance would come here one afternoon and tell us: "Today, I have made secondary education free and compulsory."

Mr. Temporary Deputy Speaker, Sir, recently, the civil servants had problems. Having been a former civil servant, I was impressed to hear that the minimum salary for civil servants will now be Kshs7,000. However, will the delivery of services by these civil servants be equated to their salaries? Having been a civil servant I know there are very many civil servants who are idle out there. I know there are civil servants who do not report on duty early enough to deliver services to *wananchi*. What has been happening is that they are being protected by the district commissioners. Civil servants work between 11.00 a.m. and 3.00 p.m., or even lesser hours than that. These same civil servants are even misusing Government vehicles. In Mt. Elgon District, for example, after 6.00 p.m., you will find Government vehicles in Bungoma or Busia districts. Who accounts for this money that is being wasted? Yesterday, the Minister said that he will restrict Ministers and other senior civil servants to two vehicles. Are there any structures that the Ministry has put in place to ensure that this actually



happens? The same Ministers whom he is talking about will be seen with a fleet of vehicles come Tuesday, next week. In fact, there was no timetable of action on this, if I listened to the Minister very carefully. He did not say from when this will be implemented. He only said: "The Ministers and civil servants will be restricted to two vehicles." But without giving them a deadline, they will get away with it. Let us not come out with pronouncements that have no effectual dates.

Mr. Temporary Deputy Speaker, Sir, yesterday, Kenyans were very happy when the Value Added Tax (VAT) and other taxes were waived on kerosene, LPG gas and tractors. However, in the Printed Estimates which are read in this House, is it a must that taxation has to be increased? There is a notion in the minds of Kenyans that, when we talk about budgets, we are talking about increasing taxes. Whenever taxation is not increased, people have a tendency of celebrating. To me, let us look at the budgets as a comparison of what we can afford to develop and what we cannot do out of our own resources. It should not be restricted to the issue of taxation.

Mr. Temporary Deputy Speaker, Sir, yesterday, the issue of micro-finance also featured in the Budget Speech. Money is going to be given, through micro-finance institutions to Kenyans so that they can access it to better their lifestyles. The issue here is, which Kenyans are we talking of? Is it the poor or the rich? The Minister's intention is good; he is targeting the poor Kenyans. But do they have the ability to access that money? What mechanisms has the Government put in place to ensure that this money reaches the intended group? To me, I thought the Government would, first of all, put in place structures like, getting the census of all those graduates who are unemployed, put them into groups and thereafter, tell them there is money they can access as groups. That is one way of doing it.

With those remarks, I beg to support.

**Mr. Ojaamong:** Thank you, Mr. Temporary Deputy Speaker, Sir, I wish to make my contribution in regard to the Budget Speech that was made yesterday. I wish to contribute on the area of housing.

Mr. Temporary Deputy Speaker, Sir, the Minister acknowledges that most of our urban people are living in very deplorable conditions due to poor housing. He should have gone ahead even to include the rural poor who are living in very squalid conditions. The Budget did not try to address the issue of housing adequately. For instance, the prices of cement, iron sheets, nails and building material in general, are still very high and majority of the poor cannot afford. So, I would wish that in future the Government, through the Ministry of Finance, should address the issue of housing. Very soon, majority of our people will be living outside in the cold, because we do not even have forests where they can hide.

Mr. Temporary Deputy Speaker, Sir, on the issue of the Constituency Development Fund (CDF), some people have been complaining out there that Members of Parliament have included their friends or cronies in the committees. Even if God were to constitute a cabinet, would he include Satan's agents? It would be very difficult. Definitely, you will need a very friendly team to work with so that you can deliver very efficiently. I must thank the Minister for increasing the CDF allocation and also for reporting that the CDF Fund is working very nicely on the ground. The public is appreciating the role the money is playing, and I think in future, this should be an avenue where most of the development is channelled.

Mr. Temporary Deputy Speaker, Sir, on the delivery of services, I must commend this Government. It has tried to do its part, despite the confusion that has been exhibited in the political arena. This Government, for the last two and half years, has done more than what the KANU Government did in the last 40 years. The public is aware of this. I am very grateful that hon. Serut is appreciating this. That is why, in fact, we found it very hopeless to sit on the KANU side of the House because we were associating with very wrong people; people who had actually brought suffering to Kenyans.

I must thank the leaders of the Liberal Democratic Party (LDP) for having thought very wisely

to come back to the Government side so that we can support the Government and deliver to Kenyans. Our duty now, as a Government, is to ensure that we try to eliminate KANU from the political arena so that we can have another opposition later on, either the National Alliance Party of Kenya (NAK) or LDP, so as to erase the bad memories of KANU.

Mr. Temporary Deputy Speaker, Sir, when it comes to the prioritisation of allocation of resources to projects, we have newly-created districts like Mt. Elgon, Teso and Lugari which still do not have the physical infrastructure. But when you go through the Supplementary Estimates, you will find that money has again been channelled to those districts which are already established. Teso District does not even have a headquarters. The District Commissioner (DC) is just living in a makeshift house. The District Education Officer (DEO) is living in a polytechnic. I would have wished that the Ministry of Finance went down to these districts and prioritised so that more money could be allocated to these districts and the civil servants there can also be accommodated in comfortable offices and deliver services to the people.

In that regard, I would wish that the Minister for Finance, in his arrangements, allocates Teso District more money. We even informed the President when he toured there last year that we do not have a hospital at all, and as a result, there are very many deaths. He promised he would do something, but this year, we have not seen anything in the Estimates. I wish more money was allocated to build houses for civil servants.

Mr. Temporary Deputy Speaker, Sir, on the agricultural sector, the Minister acknowledged that it is doing very badly. Bearing in mind that it is the only salvation for Kenyans, we need to move very fast to revitalise the agricultural sector. I must say that the Kshs1.2 billion that has been given to the Agricultural Finance Corporation (AFC) is still inadequate, considering that the agricultural sector is the largest employer. It will continue being so. More money should be put in the AFC. The AFC should have offices in areas where *wananchi* can access them. You find that, in Western Province, the people from Teso have to travel all the way to Kimilili, which is very far. They go to look for funds which they are not sure of getting. The conditions attached to the acquisition of those loans from AFC are so difficult for the ordinary people. One, they need to get a letter from the agricultural officer, which is simple. Secondly, they have to get the cadastral map, which is easy. Thirdly, you have to provide a title deed, which is so difficult to get. For instance, you find that in Teso District, out of a population of about 300,000, only about 5,000 have title deeds. It becomes very difficult for them to access those loans.

The fourth condition is very difficult. A farmer is asked to produce a bank statement of one year to show how his account has been performing. We have very few people in the rural areas who bank their money. My request is that the conditions that have been set by AFC should be softened, so that more people can access those funds.

Mr. Temporary Deputy Speaker, Sir, it is very unfortunate that we allowed our civil servants to go on strike. It is also very wrong for Mr. Nyakundi, who led them, to move in a very erratic way. He should have, at least, negotiated with the Ministers concerned, so that the civil servants could not have gone on strike. However, I am very happy that the Kshs2.1 billion that has been awarded to civil servants is going to alleviate some of their problems. I am also happy that the Kshs4.9 billion that has been given to teachers as an increment will go towards alleviating some of their problems. However, our civil servants continue being under-paid. The money that they get is too little to sustain them, especially in urban areas like Nairobi, Nakuru, Kisumu and other major towns. I would appeal that, if the economy improves, the Government should try to improve the terms and working conditions of our civil servants on a regular basis.

Mr. Temporary Deputy Speaker, Sir, I would like to appeal that more constituencies be created so that our people are well represented. In particular, I would like to appeal to this Government because Teso District is very large and I am handling one full district as a Member of

Parliament. This district should be divided into two constituencies so that we can have two representatives in the House. By doing so, we shall be able to articulate the interests of the people in that area adequately. The same applies to Mt. Elgon District; hon. Serut will talk for his people, but I am talking for my people and they want the constituency to be divided into two.

With those few remarks, I must thank the NARC Government for the way it is running its affairs and the way it is trying to adequately address the problems which are afflicting the citizens. I would also like to thank the Liberal Democratic Party Members for avoiding the "Tsunami" which would have swept them into the ocean.

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

**The Minister for Lands and Housing** (Mr. Kimunya): Thank you, Mr. Temporary Deputy Speaker, Sir. First of all, I rise to congratulate the Minister for Finance for the Budget Speech which he read yesterday, articulating the Government position and the achievements to date, which are many, and bringing them to focus so that even the pessimists can see that a lot has been happening in the last two-and-a-half years. A lot more is yet to happen in the remaining half of the term.

The last two-and-a-half years have been rather difficult and they have not been made easy by the complications in the political scenario. But the efforts which have been put in place to revive the economy and to create sustainable institutions to ensure development in the long-term have shown that, despite the political issues and the turmoil on the political front, the economy can still grow. We must thank the wise leadership of the President for steering away from the politics and concentrating on the economy and the growth of this country so that, at least, there is hope for the people, even as politicians like us get out there and go on dividing the people.

Mr. Temporary Deputy Speaker, Sir, the Budget Speech was clear and I do not even want to turn to its specifics, because we will be looking at it when we discuss some of the issues as they come to this House. But I must congratulate the Minister for allocating funds to the poorest of the poor living in the slums of Nairobi and other places. We know that the Kshs500 million that has come in to start the decanting site in Kibera will go a long way in unlocking more finances, as people have been waiting for the signal from the Government to see how much money we are putting for the decanting site. This is going to unlock a lot of money through leveraging with the commercial sector and their finances and basically the other initiatives that have also been started.

I would also like to congratulate the Minister for, at last, heeding the call of home-owners by encouraging them through increasing the amount of money available in terms of mortgage interest relief. The extra Kshs50,000 per year in mortgage relief is certainly going to attract a number of home owners who will now find it better to use their money to buy houses rather than continuously paying rent and eventually leaving Nairobi without owning a house.

## ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Kimunya! You will have seven minutes when debate resumes.

Hon. Members, that concludes the business on the Order Paper today and the House, therefore, stands adjourned until Tuesday, 14th June, 2005, at 2.30 p.m.

The House rose at 6.30 p.m.