

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 28th June, 2012

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

PROCEDURAL MOTION

REDUCTION OF PUBLICATION PERIOD OF APPROPRIATION BILL

The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, I beg to move the following Motion.

THAT, pursuant to the provisions of Standing Order 107, this House resolves that the Publication period of the Appropriation Bill (Bill No.28 of 2012) be reduced from seven to two days.

Mr. Deputy Speaker, Sir, the main purpose of this Procedural Motion is to enable us to debate and discuss and, if the House so wishes, to approve the Appropriations Bill for 2012/2013 Financial Year. It was published, but it had not matured because it normally takes seven days.

As hon. Members can recall, this House has been very active. We have passed very many Bills and we have been equal to the task. If there is any House that has really sacrificed its time and resources, it is this House. We have been able to meet all the requirements of the Constitution. We have met here at night and sometimes even passed midnight in order to be able to implement the Constitution.

I, therefore, move and ask the Assistant Minister for Lands to second.

The Assistant Minister for Lands (Mr. Rai): Mr. Deputy Speaker, Sir, I beg to second this Motion.

(Question proposed)

Mr. Njuguna: Mr. Deputy Speaker, Sir, let me very strongly support this Motion.

From the outset, I commend the Minister for working very hard in his new Ministry. I would also like to salute him for listening to the issues raised in this House and addressing the concerns that affect our people in this country. By passing this Motion, we will allow our Government to continue rendering the most critical services our people desire. One sector that requires urgent attention is the education sector. We need to recruit adequate number of teachers so that we can maintain quality learning in our schools.

With those few remarks, I beg to support.

Dr. Otichilo: Mr. Deputy Speaker, Sir, I also rise to support this Procedural Motion. First, I want to thank the Minister for Finance because for the short time he has been a Minister

for Finance, he has done very good work. We, as a House, are very impressed by what he is doing.

This Motion is very crucial. It is important that this country must continue to function. We are just remaining with two or three days before we go to the next financial year. This country must have enough money voted so that Government business continues.

This Procedural Motion intends to reduce the publication period of the Appropriation Bill from seven days to two days, so that we can discuss it and pass it, if possible, today. This will enable the Minister to transact business so that the country can continue functioning. Therefore, I want to support this Procedural Motion because it is very important. You will recall that last week we passed the 2012/2013 Vote on Account. There were many concerns that it was not proper to pass the Vote on Account without the Appropriation Bill. In fact, some people have gone to court to challenge the decision we made last week. So, it is important that he moved with speed to ensure that the Appropriation Bill is prepared and presented to this House.

I want to strongly support this Procedural Motion so that we can proceed.

Mr. Midiwo: Mr. Deputy Speaker, Sir, I rise to support and thank the Minister for trying to do the right thing after concerns were raised. However, we will be asking him to explain a few things on procedure. We must do so because this is precedence which we want to set for this country as we move into the future under the new dispensation. We will be raising those issues when we get to the substantive Bill.

I beg to support.

Eng. Rege: Mr. Deputy Speaker, Sir, I would also like to join my colleagues in congratulating the Minister's work so far. This is one Minister who has been attending our Budget meetings whenever we ask him to attend the meetings so that he could understand where we are coming from. This is the last and very important Appropriation Bill which will lead us to devolved governments. It cannot be said more that it is a very critical and important Bill that will see Kenya make history in Africa with the devolved governments.

Mr. Deputy Speaker, Sir, as I stand here, I just want to appeal to the hon. Minister to ensure that there are certain areas which we cannot do without and cannot be shortchanged as we move to the devolved governments. These are, for instance, infrastructure, energy and communications. These are very important.

Mr. Deputy Speaker: Order, Eng. Rege! The Motion before us is just a Procedural Motion of reviewing the publication period of the Appropriations Bill from seven to two days. The rest of it will come in the substantial Bill. If you wish to go those details as fast as possible--

--
Eng. Rege: Mr. Deputy Speaker, Sir, I will preserve them for the better part of the debate. However, for now, I would like to stand here and support the Motion.

Thank you.

(Question put and agreed to)

BILL

First Reading

THE APPROPRIATION BILL

*(Order for First Reading read – Read the First Time- Ordered
be read the Second Time today)*

BILL

Second Reading

THE APPROPRIATION BILL

The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, I beg to move that the Appropriation Bill, Bill No.28 of 2012, be now read a Second Time, by leave of the House.

First, I would like to take this opportunity to thank Members of this august House for the support they have given me during the period I have been at the Ministry of Finance. Through their support and cooperation, we have been able to tackle---

Mr. Midiwo: On a point of order, Mr. Deputy Speaker, Sir. I said while I supported the reduction of the publication period of the Bill, that I wanted some clarifications from the Minister so that we can all move in tandem.

Mr. Deputy Speaker: That will be only after the Minister has moved the Bill and has been seconded. That is when the House is seized of the business.

Proceed, Mr. Minister.

The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, as I said, I would like, from the outset, to give my appreciation to the Members of this august House for the support and cooperation that they have given me during my time at the Treasury. Through their cooperation we have been able to achieve quite a number of things. We have rectified some of the things that were not being done right and for that I will be forever grateful to the Members of this House.

The Budget for the 2012/2013 Financial Year that I presented to this House early this month, in June, was formulated within a tight fiscal framework and against a background of several challenges. As you are aware, the world economy is going through a period of slow growth and increased uncertainty. Kenya's growth has slowed but remains favourable and is expected to pick up gradually over the medium-term.

While the fiscal and monetary policies remain supportive of growth, current projected growth rates are not fast enough to support the employment gains and poverty reduction that the country requires. The 2012/2013 Medium-Term Expenditure Framework budget was, therefore, prepared against a background of challenging external and domestic environment which puts significant constraints on the resource envelop.

Hon. Members will recall that the Treasury submitted to this House the Budget for the 2012/2013 Financial Year on 26th April, 2012. We were able, for the first time, since the Constitution came into effect to meet that deadline. Last year, we were not able but this year we were able to meet that deadline on the fiscal policy paper. The only hitch was on the Appropriation Bill and once I heard the concern of hon. Members, we moved at a very fast speed and, therefore, today we have the Appropriation Bill.

In financing the Estimates, we were guided by the available resources and the need to provide for the national priorities which include food security, infrastructure, security operations, the forthcoming general elections and the implementation of the Constitution. We also considered key priority issues and recommendations arising from the countrywide consultations

held in the 47 counties last year. After the submission of the Estimates, the Budget Committee and other Departmental Committees commenced on the interrogation of individual Ministries, departments and agencies budgets during the month of May, 2012. Arising from the interrogations, Parliament came up with a report containing a number of recommendations which were adopted on 7th June, 2012.

I am happy to report to this House that the recommendations of Parliament have been taken into account while preparing the Appropriation Bill and have been fully implemented taking into account that they were not fully financed. When we looked at the proposed savings and allocations, we found that they were not matching. There was a difference of about Kshs3 billion. So, taking that into account and rationalizing the requirement to ensure that we operate within a sound fiscal framework, I am happy to report that we have, to a large extent, implemented the recommendations of the Budget Committee.

The Budget which I present to this House has, therefore, been adjusted to reflect the recommendations of Parliament and I think this is what our Chief Whip was referring to and I will be coming to that. Taking this into account, I request hon. Members to approve a total funding amounting to Kshs1.56 trillion comprising of the following:-

(a) Ministerial recurrent expenditure amounting to Kshs658.4 billion including those expenditures financed through Appropriations-in-Aid.

(b) Development expenditures amounting to Kshs450.6 billion.

(c) Consolidated Funds Services amounting to Kshs346 billion including domestic and external debt redemption amounting to Kshs171.6 billion and Kshs26.2 billion respectively.

(d) Provision for Civil Contingency Fund amounting to Kshs5 billion.

Mr. Deputy Speaker, Sir, we have, therefore, to a large extent implemented – I want this to be very clear – the recommendations of the Budget Committee except in these areas which I will refer to.

The Budget Committee had recommended that there be a 30 per cent reduction on domestic travel, subsistence, and other transportation costs across Ministries, departments and agencies. We have implemented this recommendation of the Budget Committee with the exception of security-related Ministries, basically Ministry of State for Provincial Administration and Internal Security, Ministry of State for Defence, the National Security Intelligence Service (NSIS) and the Prisons Service in the Office of the Vice-President and Ministry of Home Affairs – not the whole Ministry. This was because it was realized that a reduction of even a shilling would affect the ferrying of prisoners from remand prisons to the courts.

We have also exempted Parliament because we realized that if this is done, the mileage of hon. Members would be affected, yet the core business of Members of Parliament is to service their constituencies and they need to move to their constituencies. So, that has been fully implemented except for those four areas I have mentioned.

The other recommendation was 50 per cent reduction of the item on foreign travel and subsistence and other transportation costs across all the departments. We have instructed all Ministries to curtail all foreign travel, reduce the size of delegations and type of air tickets. This measure has been implemented with the exception of only three Ministries; that is, the Ministry of Foreign Affairs, The Ministry of East African Community and the Treasury. The Ministry of Foreign Affairs is exempted because their core function is actually to travel. They need to travel to meet their counterparts elsewhere. It is the same case for the Ministry of East African Community, whose officers need to travel to Arusha, Kampala, Rwanda, and Burundi. In the case of Treasury, it is because of the negotiations that always take place when we are looking for

money from donors. With the exception of those three Ministries – I hope the Chief Whip is here and is listening – the recommendations have been fully implemented.

Mr. Deputy Speaker, Sir, the other proposal was on a 20 per cent reduction in fuel, oil, lubricants and routine maintenance of vehicles and other transport equipment. This, again, has been fully implemented, with the exception of all the Ministries dealing with security, that is the Ministry of State for Provincial Administration and Internal Security, the Ministry of State for Defence, the NSIS and the Prisons Services. Again, it is for the reasons that I have explained. Even for the police, the amount of fuel that a vehicle is allocated, that is 10 litres per day is actually not enough. Therefore, reducing the amount by even a single cent will affect their operations. It is the same case with the CID. Sometimes they cannot use their vehicles because they have no money for fuel. So, I am happy to report that with the exception of those security-related Ministries, the recommendation has been fully implemented.

The other proposal was a four per cent reduction on current grants to Government agencies. I am happy to report that we have implemented this with the exception of Local Authorities Transfer Fund (LATF). This is because as per the LATF Act, 1992, the fund is pegged on five per cent of the national income from tax collection in a year. So, any reduction would have affected this, thus changing the law, yet we have no intention of doing so. The LATF is going to exist and it has been budgeted for even in the next financial year. The basics, perhaps, may change when we go to the county governments. That has been fully implemented with the exception of the LATF.

Mr. Deputy Speaker, Sir, the other proposals was a 20 per cent reduction of other operating expenses. Again, this has been implemented with the exception of the security-related Ministries, that is, the Ministry of State for Provincial Administration and Internal Security, the Ministry of State for Defence, the National Security Intelligence Service (NSIS) and the Prisons Service in the Office of the Vice-President and Ministry of Home Affairs. This is, again, for the same reasons that I stated earlier on.

On the Development Budget, the Committee had proposed a 20 per cent reduction of capital grants to Government agencies. I am happy to report that this has been fully implemented with the exception of the CDF. The CDF Board is covered under the capital grants to Government agencies and it would have been reduced. So, with the exception of CDF, this has been fully implemented. The CDF will continue to exist. It has been budgeted for. It is my intention that if this House approves the Appropriation Bill now, then we will not need the Vote on Account which we have approved, and we will be in a position to give the entire budget to the Ministries. We do not have to wait for the 50 per cent. They can start utilizing the full amount of the Budget immediately. This is the first time it will be happening; that before the beginning of the financial year, the Ministries have their full allocation.

It is also my intention that even on Exchequer issues that by December, the full amount of the CDF should have been disbursed to the Board. This is because we expect that by December the campaigns will be hot and hon. Members may not have time to inspect the development projects. By December, we want all the projects to have been completed. We are in liaison with the Minister in charge of planning. We have told Members of Parliament not to start new projects. We want them to complete all the projects they have started, so that when we go to county governments, nobody will accuse any Member of Parliament of having incomplete or stalled projects. That is the recommendation we have made to Members of Parliament.

Mr. Deputy Speaker, Sir, the other measure entailed 100 per cent reduction of all items of a recurrent nature in the Development Budget. Again, we have fully implemented this, except for

donor-funded projects, which normally require about five per cent as our own contribution. Our contribution is normally on local expenses such as travel, subsistence for the officers and so on. I am happy to report that, that has been fully implemented, except for donor-funded projects that require Government of Kenya counterpart funding as per the agreement.

Hon. Members will also recall that since the submission of the Estimates, the Treasury has received requests for additional funding from other emerging priority areas. Among these are the provision of Free Primary Education (FPE) and Free Secondary Education (FSE). What is happening is that the FPE and FSE are based on enrolment. During the first term, schools compete to enroll as many students as possible, so that they are given this funding. In between during second term there are a lot of changes. So, when it comes to the allocation of the second portion, we find that things have changed, yet schools have already received the first allotment. This is what has brought problems. The situation has been compounded by the way the Ministry has changed. Previously, it was 30 per cent for first term, 20 per cent in second term and 50 per cent third term. Now, because of changing it to 50 per cent in the first term when schools compete to enroll as many students as possible, schools benefit from this. When they change, we are forced to give them additional money. That is what has caused the gap between the Treasury estimates and the actual figures from the Ministry of Education. We are finding a way of reconciling this.

Mr. Deputy Speaker, Sir, the other additional request we have received is the enactment of operation grants for emergencies. On Kenyatta National Hospital (KNH), when the report came, it was found that the hospital was in a very sorry state of affairs with dilapidated equipment, scans not working and dialysis machines not working. So, again, as a matter of emergency, we have allocated Kshs1 billion to KNH. They required more than Kshs8 billion but we have sent them Ksh1 billion.

Mr. Deputy Speaker, Sir, the other request is for the general elections. This is the money that the Independent Electoral and Boundaries Commission (IEBC) was not able to spend this year. The contracts were not ready. So, again we have to give that money back to them.

So, these requests have been rationalized and are recommended for funding within the context of the proposed savings from the overall Budget cuts. The full list of rationalized recommendations which is attached and which I circulated yesterday, shows how the recommendations of the initial estimates from Treasury---. If you take into account the recommendations of Parliament in total through the Vote on Account and if you take into account what we have rationalised, it is given in the other column---. Lastly, the last column is now what is appearing in the Appropriation Bill.

Mr. Deputy Speaker, Sir, with the exceptions that I have given, we have fully implemented the recommendations of the Budget Committee. This is the first time it is happening and I am sure hon. Members of Parliament have also seen the changes even in the attitude of Treasury. I have given instructions that the Budget making process is no longer the sole domain of Treasury. It is now being done in conjunction with the Budget Committee of Parliament. That has been accepted and you should expect no further resistance. Parliament must be involved. The stakeholders must be involved and that is why it calls upon the Budget Committee to visit all the 47 counties and receive views and requests from members of the public. I think I would like to stop there and ask hon. Dalmas Otieno to second.

I beg to move.

The Minister of State for Public Service (Mr. Otieno): Mr. Deputy Speaker, Sir, I am very pleased to second this Bill and convey my appreciation to the very excellent efforts by the

new Minister in this complicated Ministry. He has taken serious efforts to be fully responsive to the interests, wishes, rules and regulations under the new Constitution in terms of the budgetary process.

Mr. Deputy Speaker, Sir, yesterday we passed the Financial Management Bill and it was very clear that the new interactive process between the representatives of the people and the Minister for Finance has developed so well and we have started a phase where the Budget will fully reflect the wishes of the people through the Budget Committee and also the Finance, Planning and Trade Committee.

Mr. Deputy Speaker, Sir, let me also commend the departmental committees that have been working on the reforms that are necessary in our budgetary process. One point that may not be good if it becomes the practice is cuts across the board. When you say a 50 per cent cut across the board or a 20 per cent cut across the board, it never quite works with finances but given that this is our second year through this interactive budget making process, that was the quickest way that the departmental committees would handle and convey their wishes in reducing excess expenditure perceived to be going on within the different Ministries. We expect, however, that in future, it will be possible to pinpoint specific reductions that are achievable and which the Minister could be able to handle.

Mr. Deputy Speaker, Sir, it is happening that this time if the Appropriation Bill is passed, it will be possible to release all Government funds without having to wait until half the year is gone, subject, of course, to revenue collection by the Kenya Revenue Authority (KRA). Otherwise, the process has proceeded well. The cooperation is excellent. Performance among the officers and the Minister for Finance is excellent. Co-operation and understanding by the departmental committees are excellent. I have no reservations at all in supporting this Appropriation Bill.

I beg to second.

(Question proposed)

The Minister for Trade (Mr. Wetangula) Thank you, Mr. Deputy Speaker, Sir---

POINT OF ORDER

LEGALITY OF DISCUSSING APPROPRIATION BILL WITHOUT THE REVISED PRINTED ESTIMATES

Mr. Midiwo: On a point of order, Mr. Deputy Speaker, Sir. Thank you for giving me time. I do not want to appear to be raising issues on this but I have a very fundamental issue which I want to come to the Floor.

Mr. Deputy Speaker, Sir, on Tuesday night the House Business Committee (HBC) agreed that we shall be considering the Appropriation Bill this morning only on condition that the estimates as approved by Parliament are republished or reprinted. As it were, that has not been done.

Secondly, I am convinced as minuted in the resolutions of the HBC that the Appropriation Bill must reflect word for word, letter for letter, the approved estimates by Parliament. The Minister has said that we have implemented that and I want to commend him for attempting to comply with the provisions of the law. My concern is fundamental and this is a

precedent setting moment for this country. We want to pass this Bill. We want to give the Government money but without the reprinted estimates, everything the Minister has told the House cannot be believed.

Mr. Deputy Speaker, Sir, in the HBC the Minister for Agriculture said that she even went to the Minister to complain that she heard from a third party that in her budget one item which is the Agricultural Finance Corporation (AFC) - we are an agricultural country - Parliament passed Kshs1 billion and somebody in Treasury reduced it to Kshs300 million without the authority of Parliament. This is fundamental. In the HBC, where the substantive Speaker was and we had one yesterday, the Speaker said that the only tenable position is when this House has in front of it printed estimates. Yesterday, in your presence we agreed. I tried to say that let us table this Bill and before it is moved, let us have the Budget Committee to quickly look at it to prove the figures. We said it can be done as we debate but it cannot be done without the Printed Estimates. This is fundamental because I have looked at the figures without those Printed Estimates and I have found generally, a variance of about Kshs289 billion which is hard to explain. We do not want to pass something here--- This is an election year and it is important as Kenyans--- The people are watching us. The mistakes this Parliament has been making as we rush are not tenable because we are making them on issues which are germane to the future of this country. We need guidance and I wish to table the minutes of the House Business Committee.

(Mr. Midiwo laid the document on the Table)

Mr. C. Kilonzo: On a point of order, Mr. Deputy Speaker, Sir. This House used to operate on gentleman's agreements. It also used to operate on trust. Only last week and yesterday this House passed the Statute Law (Miscellaneous Amendments) Bill but between here and State House something which this House had deleted was sneaked back. That shows you very clearly that we are dealing with a Government which cannot be trusted. So, if this Government wants this House to deal with the Appropriation Bill, let them bring the Printed Estimates. If they do not bring any Printed Estimates, then we have no business discussing this Bill.

If they cannot honor a gentleman's agreement in the House Business Committee, then what business do we have to deal with the Government? So, I would suggest that the Chair rules that unless we get the Printed Estimates we will actually be making a mistake as a House because the Government has proved that it cannot be trusted and this is not the first time.

So, I beg that the Chair rules that there should be no further discussion on this Bill until we have the Printed Estimates.

The Minister for Finance (Mr. Githae): Mr. Deputy Speaker, Sir, I think it is important to clarify the following. Printed Estimates are basically used for debate and that was done. The Estimates were then committed to the Budget Committee which looked into them and came up with their own recommendations. So, we have moved away from the Estimates now. To me the issue was; has the Treasury implemented the recommendations of the Budget Committee or not?

I have said, except for those items that I have mentioned, we have fully implemented and I have given the reasons. We have a new budget-making process in place. Previously, if Parliament was unhappy with a certain Vote, it could only reduce by Kshs20. But now Parliament has authority. If you think there is an error here, you have the authority to move an amendment. However, I assure this House that there is no such thing. I have implemented it.

I even went further when this issue came up, to circulate both the Recurrent and Development Estimates which showed what was in the Printed Estimates. Those documents are there. Further, we have even analyzed per Ministry what was in the Printed Estimates. It is all here in black and white. I tabled them yesterday.

As I said, Parliament has authority now. If you think there is an error, we can reduce or increase so long as the overall amount remains the same. So, I think we need to go back to the substantive Motion.

Mrs. Shebesh: Mr. Deputy Speaker, Sir, I want to beg you not to turn this House into a circus like we have done in the last few days. It is a very simple question. We want to see the Printed Estimates. We do not want to see a corrigendum. We also do not want documents that the Minister is walking around with that hon. Members are not privy to. He is agreeing with the process. So, if he is agreeing with the process and if they are in his office, send for them. We are here in the afternoon. But we will not debate ever again in this House with an untrusted Government something we are not seeing and approve, and then become laughing stocks of Kenyans that we passed things which we did not understand and did not know and then we start to complain later. I will not be part of it nor will the Back Bench.

Mr. Shakeel: Mr. Deputy Speaker, Sir, I am a Member of the Departmental Committee on Finance, Planning and Trade. The assumption here is that the First Reading, Second Reading and the Committee of the Whole House of the Appropriation Bill will take place today. The Departmental Committee on Finance, Planning and Trade is charged with the responsibility to ensure that the figures here are the same as those in the Printed Estimates. We have not had the time since and I urge this House to kindly consider giving us, at least, until this afternoon so that the Committee can go and sit down in the spirit of co-operation that we have shown before, have a quick look at it and then reassure the House what the Minister is trying in vain to do, that as a Committee of the House that we have seen those figures and confirm that they are the same as those in the Appropriation Bill.

So, I urge the House to accept my request.

Mr. Njuguna: Mr. Deputy Speaker, Sir, the Government Chief Whip, Mr. Midiwo, has raised a very serious fundamental question on the accountability of about Kshs280 billion. This is an issue that needs to be explained well to this House because this House need not be accused of allowing unexplained expenses by the Government.

Mr. Deputy Speaker, Sir, it is important that the Minister in charge should address himself to this serious anomaly that has been raised.

Mr. Ogindo: Mr. Deputy Speaker, Sir, the budget-making process is a very important exercise in this House. The whole country is looking upon Parliament on how it will appropriate the funds. There are procedures that have been spelt out in the Constitution, in the legislation and in the Standing Orders.

It is required that this House approves the Printed Estimates. At this point in time this House is in possession of scattered pieces of paper that it is expected to put together to form the Printed Estimates. Some of these were done just yesterday. It is important that this House moves with certainty knowing how much the total budget is.

Mr. Deputy Speaker, Sir, you will recollect that previously, this House approved the Vote on Account. The Vote on Account figure is regulated by the Constitution under Article 222. It says that the Vote on Account must not exceed a total of one half of the amount included in the Estimates of expenditure for the year, that have been tabled in the National Assembly.

The Minister came here with the Vote on Account figure. At this point in time, this House is not seized of the total amount of the budget. So, we know the Vote on Account but we do not know that it is 50 per cent of what. It is very fundamental that this House does not engage in any unconstitutionality. If we approved a figure that is in excess of 50 per cent of the total Estimates, that is unconstitutional.

Mr. Deputy Speaker, Sir, you realize that the Appropriation Bill is now seeking further authority for withdrawal of the balance. This House needs to be clear in its mind that what we did was right. The only way this House can be clear in its mind is if it has the consolidated Printed Estimates. We have moved a long way and I would want to ask the Minister to kindly consider withdrawing this Bill, so that consolidated Printed Estimates can be brought to this House and we will be back in business as requested by this House.

Mr. Mungatana: Mr. Deputy Speaker, Sir, I wish to agree with all my colleagues who have spoken before me. However, in the Budget Committee we made certain concrete proposals to the Minister. A Motion was brought to this House to change whatever proposals in terms of Budget that he had given this House. This House approved those resolutions. After the approval of those resolutions, the promise we had from the Minister was that he would include all the Budget Committee proposals into the Printed Estimates. In fact he talked about this in the House.

Mr. Deputy Speaker, Sir, this is in the HANSARD. This is the promise. This is the understanding we have from the Budget Committee. Now, first of all we were unhappy when the Vote on Account was brought before the Appropriation Bill. However, that passed and it was a resolution of the House. We expected that the proposals that we had agreed on would be reflected. There is no other way we can know whether or not they have been reflected if the Printed Estimates are not with us. How are we going to debate this matter without the information?

I want to agree with my colleagues and request the Chair to prevail upon the Minister to do the right thing, so that the House agrees with the Government.

I thank you, Mr. Deputy Speaker, Sir.

The Minister for Trade (Mr. Wetangula): Mr. Deputy Speaker, Sir, the new Minister for Finance has cultivated very successfully tremendous good will in this House. I think the House has been moving in tandem with his thinking and appreciates what he is doing. May I propose to our colleagues who have raised very legitimate concerns that since the Minister has assured us that the Printed Estimates are out, we go on with the second reading, stay the Committee Stage for this morning, allow the Committee on Finance, Planning and Trade and the Budget Committee to go and relook at the Printed Estimates and have as top priority this afternoon the Committee of the Whole House on this Bill before we proceed to the Motion of Adjournment to go on our recess?

The Minister will still achieve what he wants this morning within today and the House will be quite at peace with what we are doing.

Mr. Deputy Speaker, Sir, if this finds favour with the Chair and the House, I propose that we take that option.

Thank you.

The Minister of State for Public Service (Mr. Otieno): Mr. Deputy Speaker, Sir, it is important that we have full concurrence of the Budget Committee on this matter. As much as this may have been circulated, as much as the Minister has explained the basis of arriving at these figures and all the efforts towards compliance with the recommendations of the Budget Committee, these are financial figures. The Budget Committee must have time to look at them,

item by item, and say, “Yes, yes, yes, the Appropriation Bill figures are as we have agreed with the Minister”.

I, therefore, wish to support what Mr. Wetangula has proposed, that we may proceed and debate the Second Reading but the Committee of the Whole House Stage must be deferred until we have full concurrence of the Budget Committee. That is what will be in compliance with the new budgetary process.

Mr. Deputy Speaker: Last point of order before I give directions on this, Mr. C. Kilonzo.

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, I think after consulting, the Back Bench is basically in agreement with that proposal.

Mr. Deputy Speaker: Fair enough. This is the first time that the two sides are agreeing and telling the Chair what directions should be given.

The Chair directs that the debate on Order No.10 be concluded, and that Order No.11 (i) be deferred until this afternoon. The Chair directs that there be a Supplementary Order Paper on the same.

As the rules of the House are at the moment, after the First Reading is done, a Bill stands committed to the Committee. So the Committee should move with speed.

Mr. Shakeel, the Chair also notes with gratification that you were also of the same idea that you should be able to finish this; in the afternoon you will have done your job. Therefore, the Committee can also proceed with speed, so that when we get to the Committee of the Whole House in the afternoon, we will conclude this business.

The Chair directs so. Thank you.

Mr. Midiwo: On a point of order, Mr. Deputy Speaker, Sir. I was only going to say that you realize that the Appropriation Bill is normally not subject to the Committee. Now that you have made the order, I will only request that you sanction both the Budget Committee and the Committee on Finance, Planning and Trade to sit together, so that they can move with speed.

Mr. Deputy Speaker: Yes; clearly there is a clarification here; Standing Order No.111 says:-

“A Bill having been read a First Time shall stand committed to the relevant Departmental Committees without a question being put”.

But the same Standing Order No.111 (3) says:-

“This Standing Order shall not apply in the case of a Consolidated Fund Bill, an Appropriation Bill, a Supplementary Appropriation Bill or a Constitution of Kenya (Amendment) Bill”

So, indeed, as you have put it, this is not subject to that automatic committal. It is not a committal; it is a deferment.

Under Standing Order No.1 in areas which are not provided for Mr. Speaker has the final word, which is not subject to any appeal. Under the circumstances, I also direct that the joint committees deal with this matter with speed.

Proceed with the debate now.

The Minister for Trade (Mr. Wetangula): Mr. Deputy Speaker, Sir, you had given me the Floor. I will be very brief.

I rise to support the Bill, and in so doing, laud the Minister for the very positive statements he has made regarding the allocation of funds, the manner in which they will be disbursed and the manner in which we expect them to be expended.

Mr. Deputy Speaker, Sir, as we know, this country has come a long way. We have come from a history where the budgetary process was top secret in the Treasury. You may recall one time when an Assistant Minister from Bungoma County was dismissed for talking about the Budget two hours before it was tabled in the House. We have moved from that. Kenyans are now involved in Budget making. Parliament is involved in Budget making and this is the new Kenya. This is the new dispensation. The Minister has informed the House that disbursements will be done expeditiously. He has also informed the House that cuts have been made across the board. I want to propose to the Minister that even as disbursements will be made in the manner he has proposed, Treasury has to look or relook and examine the procurement law in this country.

The procurement law remains a major impediment in the absorption capacities of all Government organs. Funds are allocated and our current procurement law looks at the process and not the end. As long as the convoluted process is followed, it matters not what you get at the end. In the process, the tendering, preconditions and so on, make it absolutely difficult for sometimes very simple projects to take off. I want to suggest that the Minister assures this House that his next agenda on his path of reform that is so impressive is to realign the procurement law with the process of development in the country.

We are going to a devolved government in this country and because of lack of capacity some of those devolved units may not even be absorbing half of the money, not because they cannot, but because the procurement process makes it difficult for them to achieve what they want to achieve.

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, I also want to point out to the Minister that if this economy has to grow; if we have to achieve our Vision 2030, we must pay attention to matters of economic activities anchored on trade. Our external trade, our internal trade and our regional trade must be capacitated to grow. I want to opine that the amount of money allocated to the Ministry of Trade does not go far enough in helping the Ministry engineer the external trade, the internal trade and all other activities related thereto.

Lastly, I want to point out that on R168, page 1815, the Office of the Registrar of Political Parties is given a specific allocation yet we know that that Office is an Office within the Independent Electoral and Boundaries Commission (IEBC). So, why is it being budgeted for independently or independent of its parent body, unless this is the money that is going to be distributed to political parties? If it is, then we will require absolute transparency, accountability and equity in the distribution of those funds.

Mr. Temporary Deputy Speaker, Sir, the idea of releasing the Constituencies Development Fund (CDF) funds lump sum by December is laudable. I want to urge colleagues to ensure that those who will come back and those who will not, leave a good legacy in their constituencies by completing their projects in a proper manner, in a timely manner and in an accountable manner so that the continuing brushing of the image of the House and hon. Members in particular as custodians and good users of public funds is maintained and sustained.

I want to thank the House for agreeing to the process of sending the Bill to the Committee so that we get better informed in the line of transparency, accountability and openness that the new Constitution has brought to this Country.

With those few remarks, I beg to support.

Mr. Mungatana: Mr. Temporary Deputy Speaker, Sir, I rise to also contribute to this Appropriation Bill, 2012. I want to specifically look at three particular Votes and we would appreciate explanations from the Minister. If you look at Vote R114, this is a Recurrent Expenditure Vote that is supposed to go to the Ministry of Transport; the Minister has sought approval of roughly Kshs1.5 billion. There have been a lot of problems with the ferry services at the Coast. We want to know from the Minister what plans he has put in place so that when this money goes down, it will be utilized for the purpose, amongst others, of proper functioning of the ferries. It is unfortunate that year in, year out, we keep voting money but there is little change. We have been told many times that new ferries are being purchased, services are going to improve but this continues to be a problem. We want to know and get an assurance from the Minister that this money this time round will be utilized for the purpose that we are voting it for.

On Vote R112, the Minister is seeking Kshs1.4 billion at this point and what is curious here is that this Vote is supposed to support the offices of the Deputy Prime Minister and Ministry of Local Government including General Administration and Planning and Grants to Local Government *et cetera*. Yesterday in this House, we raised the question of value for money, for the Office of the Deputy Prime Minister. For the money that we have voted here, could the Minister clarify for what purpose the Ministry or the title of the Deputy Prime Minister's Office is being funded? This is because from what it appears here is that, this office has been budgeted for like it is existing in full capacity like it did last year. We want to know the specific functions that are being funded by this Vote. The Minister ought to explain to this House because it is not correct for us to just vote finances and we do not know what value we are getting from this money.

Finally, the third Vote I wanted clear information about is Recurrent Vote No.108. The Minister proposes that the Ministry of State for Defence receives something close to Kshs70 billion on the interim. What we want to know is that we have raised several questions about the involvement of the Kenya Defence Forces (KDF) in Somalia. Last year, several Votes that we passed here as Development Votes were withdrawn and reallocated and funds were supposedly taken to continue or support the efforts the KDF was carrying out in Somalia. That includes the Kshs300 million that we had allocated for cancer machines across the nation. We were told by the Minister of Medical Services that the reason why those machines were not procured was because the money was taken to boost the effort by the Kenya Defence Force (KDF) in Somalia. At the same time, we have been informed that AMISOM has now taken over the support functions in terms of funds and supplies to KDF. That is because KDF has formally joined AMISOM.

Mr. Temporary Deputy Speaker, Sir, we want to know how the Disaggregated Vote – the Kshs70 billion that we are voting - is divided. Where is the AMISOM amount coming in? Are we just giving this money? We do not really know. Have there been any refunds that have come from AMISOM?

Mr. Temporary Deputy Speaker, Sir, it appears that even after the Budget Committee raised issues to seek clarification, the figures that have been reflected in this Appropriation Account are still the same. So, we do not know how much AMISOM has contributed. We do not know how much AMISOM is supposed to contribute. The figures that were proposed before

AMISOM was involved and the figures that are still here when AMISOM is involved are the same. So, we want to know. Is this going to be a question of double allocation to the Ministry of State for Defence? That is because if they get the refunds, what is going to happen to those refunds? We want clarity from the Minister - when he is responding – on what portion of the amounts we have received or are expecting to receive from AMISOM and whether those will be returned back to the Consolidated Fund.

Mr. Temporary Deputy Speaker, Sir, I would like to seek those clarifications. If the Minister can do so, we will support, subject, of course, to what we will do as the Budget Committee before the afternoon session.

Thank you, Mr. Temporary Deputy Speaker, Sir.

The Assistant Minister for Regional Development Authorities (Mr. ole Metito): Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to also rise in support of this Appropriation Bill, Bill No.28 of 2012.

Mr. Temporary Deputy Speaker, Sir, first of all, I was just going through the Estimates as per the Appropriation Bill as read by the Minister. I was not really able to see any anomalies as far as the addition of figures is concerned. If you add the column on Appropriations-in- Aid, both Recurrent and Development, and you also add the column in net estimates both on Recurrent and Development, they will all total up to what is on the column on gross estimates, both Recurrent and Development.

Mr. Temporary Deputy Speaker, Sir, having said that, I think this is a very important Bill. I urge this House really to allow the Minister and pass it for the following reasons: Now that we are just starting the financial year, several institutions really are very critical and they need money for their daily operations and activities. We have commissions and independent offices that cannot wait to get money to start implementing and executing their duties as per the Constitution, as we get into the new financial year, which is just about four days away. Some of the commissions I have in mind include the Independent Electoral and Boundaries Commission (IEBC). We are in an electioneering year and a lot has to be done with respect to actualizing a successful and peaceful election. In that regard, that commission really needs money to start registering voters.

Mr. Temporary Deputy Speaker, Sir, as you are aware, we are targeting about 18 million registered voters in the country and time is lapsing. If elections were to be done either in December or March next year, I think there is a lot to be done with regard to voter registration. This House really needs to release funds to that institution without further delay.

The Commission on Revenue Allocation has been going round this country trying to come up with the criteria and formula of sharing resources between the national and county governments. That commission needs to be facilitated as soon as possible to really start embarking on that job, although I still want to say that it really needs to involve all the stakeholders and come up with an agreeable criteria on how to distribute those resources, taking into account resources that are available at the county level that need to be--- Even if they are national in nature and will be under the Central Government, but those counties where they are found need to get something.

The Commission on Administration of Justice also needs to be facilitated as fast as possible. That is because being in an electioneering year, together with the Commission on National Cohesion and Integration, they really need to do a lot in terms of ensuring that there is unity and peace during this campaign period in this country. Those are the Commissions that are really monitoring hate speech from any source and we must commend them. I would like

particularly to commend the Commission on National Cohesion and Integration. They are now going country-wide, trying to really supervise or monitor everywhere. You have seen recently that it is trying to monitor songs. There are so many ways in which campaigns are done and we have seen them. Some people compose songs that can be used to propagate hate speech. I think such Commissions need to be facilitated. In the next four days, if we do not pass this Bill, they will grind to a halt. I think we need to give money to those Commissions.

In that regard, I am concerned with the Vote of the Ministry of Justice, National Cohesion and Constitutional Affairs and the State Law Office. That is because we always talk about the implementation of the Constitution. Those are some of the institutions that are very critical towards achieving that. This House really need not delay the release of funds to them to do what is required as far as Constitutional implementation is concerned.

My colleagues have talked about defence and internal insecurity with respect to what is going on in Somalia, or even internally with the fight against Al-Shabaab and other illegal groups that are bringing insecurity to our country. We have only four days left. We need to give them money so that from 1st of July, they can still go on with those activities. Having said that, and without anticipating debate, the House might be going on recess this afternoon. We should not really delay a lot. We should release money to those institutions.

Mr. Temporary Deputy Speaker, Sir, the ongoing reforms in the Judiciary such as the vetting of judges, among others, cannot wait any longer to be given money to continue doing that work. Under the Ministry of Education, we have heard that our schools might be closed due to lack of funds and, maybe, if those funds are in this Budget, I think, as a House, we need to approve and release that money as fast as possible for our children to continue learning.

The issue of election and voter registration is not possible without giving our youth national identity cards. In that regard, the money that is allocated to the Minister of State for Immigration and Registration of Persons is very crucial. I think we should approve it as first as possible, so that they can start doing the work of issuing identity cards to our youth. That way, when IEBC will start registering voters, at least, they will not be denied voting cards due to lack of identity cards.

Finally, Mr. Temporary Deputy Speaker, Sir, the Minister talked about the Constituencies Development Fund (CDF) and the funds meant for the Ministry of Planning, National Development and Vision 2030. Now that we may be going on recess and this being an electioneering year, I would really support what he said while moving the Appropriation Bill. He said all monies meant for CDF projects will be released by December this year.

Mr. Temporary Deputy Speaker, Sir, I urge the parliamentary Committee in charge of CDF to make sure that once we pass this Appropriation Bill, this money will be released immediately. I hope by the time we break for recess, the schedule will be out for us to know how much is allocated to each constituency. That will be good enough for us. It will help us to know which projects to fund and incorporate our constituents' proposals.

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

Mr. Chanzu: Thank you, Mr. Temporary Deputy Speaker, Sir, for the opportunity to support the Appropriation Bill. I would also like to commend the Minister for the work he is doing in the Ministry of Finance. He has been there for a short time, but he has done a lot for this country.

I also want to commend the Government in general, particularly the Head of State in the manner in which he has steered this country from 2003. We have seen a lot of positive reforms in this country since he took over the reins of leadership in 2003. His administration has initiated

CDF, Youth Enterprise Development Fund and Women Enterprise Development Fund, among other funds geared towards elevating poverty in this country. The Government is also giving the aged people money to sustain themselves. If you compare the periods between 1963 to 2003 and 2003 to date, you will see this Government has done a lot for its people. They have done a commendable job. I want also to commend the Government, particularly for the free manner in which things are run in this country. A person who has been Minister for a long time, for example, hon. Dalmas Otieno, will bear me witness that there has been a lot of changes in this country. I think they are now enjoying doing their work. Those days, Ministers were not even capable of running their Ministries. The free manner in which things are done has helped us get where we are now today as a country. We all know, for example, what the CDF has done in this country within this short time it has been with us. We are talking about 2.5 per cent of GDP compared to 97.5 per cent. This is the comparison we have always been making in our deliberations. Even if some people say the CDF funds have been misappropriated, we know it has done a lot in this country.

Mr. Temporary Deputy Speaker, Sir, we talk about the youth being 70 per cent of our population. I believe the Government can allocate more funds to the youth and women enterprises, so that many of them can benefit. These programmes have benefited many youth and women. Some youth groups have been receiving Kshs50,000. This money has not been enough for them. A time has come for us to give them more money so that they initiate more projects which will assist them and help the Government to realize Vision 2030 dream. It is a pity that this amount has remained the same although the economy has grown. We are now talking about a Budget of more than Kshs1 trillion. In fact, our current Budget is more than Kshs1.5 trillion. So, the Government should find a way of increasing these funds, so that they can be more meaningful and more beneficial to our people.

Mr. Temporary Deputy Speaker, Sir, we have had a pilot scheme where the Government has been giving some money to aged people in our society. This scheme has not benefited all the aged people in all the constituencies. It has only benefitted a few. These are some of the areas that, as we go along, the Government should look into. The Government promised to assist all the aged people during the 2003 and 2007 campaigns. I think that as we go towards the next elections, the Government should check and ensure that it has accomplished most of the pledges it made to Kenyans. So, the money for the aged should now be released to all of them, not on a pilot basis. In my Vihiga Constituency, for example, the old men have been asking me about this money all the time. We need to make sure that all aged people in all constituencies get this money.

Mr. Temporary Deputy Speaker, Sir, infrastructure is also very important in the development of this country. I commend the Minister for allocating a lot of funds towards infrastructure. We are proud of good roads in this country including Thika Superhighway. We have shown the world that we can build good roads for our people. We want to see superhighways built in other parts of the country. It is a nightmare to travel by road from here to Kisumu. It takes you 30 minutes to travel from Kisumu to Nairobi. But coming from Jomo Kenyatta Airport to here is a nightmare because of traffic jam. Yesterday morning, I came here late because of traffic jam from the airport. So, I think the design should be such that there should be more money now to open up these places, so that those who want to proceed, to transit or to move from the airport and continue towards the western part of Kenya, should not come here in town. We need to improve those bypasses so that we ease traffic jam in this town.

So, Mr. Temporary Deputy Speaker, Sir, accountability and transparency should be key

to the way we do things in this country. We do not want to be told that we have spent so much, but there is nothing to show for it. The Government should not tell us that they have spent so much money without telling us what exactly they have done with it. Kenyans must get value for their money.

Mr. Temporary Deputy Speaker, Sir, as we talk about Vision 2030, education is going to be key. I am happy that through the same initiative of the Government under the leadership of the President, he was able to introduce free primary and secondary education. I remember I brought a Motion here asking the Government to increase this money from the current Kshs1,030 they allocate every child in primary school to Kshs3,090. I also urged them to double the amount they gave to students in secondary school. Currently, they get Kshs10,650. I proposed that they be given Kshs20,350. By so doing, we will be able to reach many Kenyans. So, these are some of the changes that we would like the Government to take into account; increase money for the children who are in primary and secondary schools for the free primary and secondary education. I am happy that, so far, the Government has tried. We said that the education officers should be responsible enough to be able to know how this money is spent. The Ministry of Education has been careless. This money should not be managed by the headmaster alone. The Ministry must be actively involved. The money that we take ourselves, like from CDF, everybody wants to know what we are doing with it. But the money for infrastructure from the Ministry of Education goes into an account. It is the head teacher who knows that money has been dispersed. No other person knows about it. Therefore, it becomes very difficult to account for it. Sometimes, it leads to double accounting because we budget through the CDF to assist schools and yet the Ministry of Education has sent money directly to the schools. We are not given feedback. That is why I was saying that the feedback element in Government should be improved.

Mr. Temporary Deputy Speaker, Sir, the other day I heard that the Higher Education Loans Board (HELB) would increase the amount that those who want to pursue education can borrow. I think that is a commendable thing. More money should be given to HELB so that students can become more self-reliant, instead of them roaming about all the time looking for politicians to help them pay their school fees. I remember when I was in the University of Nairobi we were given money and we paid it back. So, I do not know why we cannot give students money which they can repay when they start working. This is one of the things that we want the Government to put in place.

Mr. Temporary Deputy Speaker, Sir, we have talked about issues in the Ministry of Medical Services and the National Hospital Insurance Fund (NHIF) many times. The NHIF at one stage forgot its mandate and went into development of buildings. The money which was supposed to go to health was used to put up very expensive buildings. There is also the issue that happened recently, where it appears like the Government lost a lot of money. I hope that the Government is addressing this issue.

Mr. Temporary Deputy Speaker, Sir, when hon. Martha Karua was Minister for Water and Irrigation a lot of changes were introduced. But I do not think that these changes have really been put in place properly, so that every Kenyan can get water, the way it was contemplated many years back. We should have structures like the ones we have now in the Ministry of Roads. The Ministries which are big spenders of money should have, at least, a unit at the constituency level, where money can go and there can be some kind of accountability. But the issue of sending money to the water officers makes it very difficult even to audit the expenditure. The only way that this can be done properly is by allocating money there and then there can be a

team of officers who can see what has been done. For example, now that it is raining, it is difficult to audit expenditure on roads. There should be some structures on the ground. Even though we are going into devolution, I think we must have some committees which can help to oversee what is happening.

Mr. Temporary Deputy Speaker, Sir, I think the energy sector has also done very commendable work in terms of power generation and distribution. I see that there is a lot of investment in that, but rural electrification is an area where I think--- As the previous speaker said, there are projects that we have started in the constituencies which must be completed. So, I am hoping that whatever has been allocated, since we have not gotten the Printed Estimates yet, is sufficient money to be able to complete the projects that we have started. This is because for us to be able to industrialize even in a small way, we need to have electricity all over the country. So, it is a sector which I think the Government should lay a lot of emphasis.

Mr. Deputy Speaker, Sir, I think the communication sector has done well and should be assisted more. Regarding the tourism sector, I think the Government should allocate it more money, in order for us to be able to sustain ourselves, without having to rely on borrowing. This sector can earn us a lot of revenue if we revamp it.

Mr. Temporary Deputy Speaker, Sir, finally, we want all these disbursements to be done very quickly. *Waziri*, you are a new broom. In fact, the way you became Minister is the way I would have liked. It is not the way people are picked from the bush and given Ministries, yet they do not even know how the Government works. They should start the way you did, as a Backbencher, then become an Assistant Minister, Minister for a small Ministry and then Minister for a big Ministry. It is better that way. Sometimes we get people from school and give them Ministries. Keep it up, but we want a measure of checking what this money is doing. I am in the Public Investments Committee (PIC), where we check things which happened 20 years ago. Surely, how does it help? I think the Project Management Committees (PMCs) have been set up, but I think we have not given them--- They came through a Budget Statement, like the one you were giving the other week, but we have not strengthened them enough and given them the mandate to show that they are very important. So, when some of them visit projects, they are very casual. They do not know why they go to those projects. I think there must be a way of getting feedback in your office regarding how this money is being spent, as we go along.

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

Eng. Rege: Mr. Deputy Speaker, Sir, I want to join my colleagues in congratulating the Minister for a splendid job done in this Appropriation Bill.

I am happy that the Minister listened very carefully to the Members' concerns about the Printed Estimates. He acted very quickly to ensure that their plight is met. In the Budget for the Financial Year 2011/2012, the things that we introduced in the Bill and agreed upon were not implemented. I will give an example of Kshs1.2 billion which was allocated to computerize schools. The Committee rejected this proposition because some schools do not even have roads. But instead of coming back to the Committee, that money just disappeared. What parliamentarians approve here is always the right thing. When we go back to our constituencies, we tell our constituents what we have budgeted in Parliament and hope to move with it accordingly. I am in Parliament because I say the truth. So, it will be so bad if I tell my constituents what is going to be done and, eventually, it is not done. I have given an example of the allocation to computerize schools. I am glad that the Minister has met hon. Midiwo's concern. I hope that nothing will change until the end of Financial Year 2012/2013.

Mr. Temporary Deputy Speaker, Sir, we could have a 24 carat gold Budget, but if it is not governed properly, it is all a waste of time. I say so because yesterday I was talking about funds from our donors and the hon. Minister said in reply that the Kenya Broadcasting Corporation (KBC) is not repaying that loan. He said that the Government is repaying that loan. He forgot that, that money that is being paid to a foreign government should actually be allocated to KBC, so that they can have new equipment. This will help them save time and expenditure. This is because in the absence of new equipment, KBC is spending Kshs30 million per month on electricity and servicing dilapidated equipment.

Therefore, a good percentage of that money could be used to buy new equipment which is more user friendly, economical and so on. I am simply appealing to the Minister to ensure that funds are spent in an appropriate way. I want to commend him for allocating more funds to infrastructure development in this country. I want to start with the energy sector

Mr. Temporary Deputy Speaker, Sir, when I took over the running of the Karachuonyo Constituency there was hardly a single pole of electricity. Today almost 95 per cent of my constituents are enjoying electricity. We all know lack of employment among youth is a serious issue. However, with installation of electricity in the rural areas, youth are engaged in various activities such as welding, plumbing and hairdressing. All this could not be possible without electricity. They are now able to eke living from those activities. As we move towards devolved government, I would like to see this continued. I would urge the Minister to continue allocating more funds to this very important sector of our economy. This sector is very vital to our people. Without electricity in the rural areas, youth will not be fully engaged.

The roll out of geothermal in this country is a big investment that we cannot ignore. So, we must continue to find ways of bringing in new investors to ensure that geothermal power is rolled out as well as other forms of energy like fossil energy, solar energy and wind energy. These areas must be looked into so that we avoid spending a lot of money in future in hydroelectricity.

I want to commend the Minister for maintaining the CDF. There is nothing short of axiomatic to emphasize the fact that CDF has really helped constituencies in a way that is immeasurable, especially in the field of tuition. The CDF has really assisted us and should not be scrapped even after we have embraced devolved Government after general elections. I plead with him to retain CDF in our Budget because it is very important in all spheres of our life. We spend CDF money in building schools and health facilities. He wants us not to start new projects with CDF money after December. However, I urge him to exercise this with caution because there will be ongoing projects that will require to be funded even after December.

I request the hon. Minister to listen to me very carefully because we put up centres of excellence throughout the country. Right now they are gathering dust. They are not yet completed. In Karachuonyo, for example, we have put up a beautiful centre of excellence. We have beautiful classrooms. We are yet to complete dormitories. If we have to make this a boarding school, we should be allowed to spend enough funds. This is the only way these centres of excellence will make sense to our constituents. The centre of excellence for health care is well-done, but lack facilities. I request him to ensure that appropriate funding is put in place for these centres to be completed on time, so that money is not wasted through fines that we have to pay to the contractors.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support and thank you for giving me the opportunity to contribute.

The Minister for Medical Services (Prof. Anyang'-Nyong'o): Mr. Temporary Deputy Speaker, Sir, thank you for giving me the opportunity to contribute to the debate on The Appropriation Bill.

It is unfortunate that my dear friend, Mr. Chanzu is not here. He raised an issue on health in his contribution to this Bill. I wish he was here so that I could enlighten him. This is because he was referring to information that is at least 20 years old and not the current happenings and initiatives at the National Hospital Insurance Fund (NHIF). The main aim of insurance is to have a comprehensive social insurance cover for all Kenyans. This is what we have been doing with my predecessor Mrs. Ngilu when she initiated the carrying out of an actuarial evaluation of NHIF through Alexander Forbes. He gave us a very good report on how NHIF can initiate universal health coverage. We followed that through our strategic management study of NHIF to see whether as an organization it was capable of implementing social health insurance cover. That means both inpatient and outpatient cover. Both reports were very positive and provided a roadmap for initiating a comprehensive social health cover. We carried out successful outpatient pilot programme on the basis of which NHIF was capable of being approached by the Ministry of Public Service to carry out this comprehensive cover for civil servants, the disciplined forces and the police.

The present problems notwithstanding, and we shall discuss that when we come to the health committee report, NHIF stands out as one of the leading insurance agencies in Kenya for majority of the people. Even if you ask civil servants today, customer satisfaction is very high. Since the customer satisfaction is very high, the economic survey recorded more than four times increase in enrolment among NHIF contributors. The Minister for Finance can confirm this.

This country has no option, if we are going to implement Article 43 of the Constitution, but to pursue a comprehensive social health cover.

The Assistant Minister for Education (Prof. Olweny): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Ethuro): What is it, Prof. Olweny? I am sure you do not want to interrupt another professor.

The Assistant Minister for Education (Prof. Olweny): On a point of order, Mr. Temporary Deputy Speaker, Sir. I have heard the hon. Members speak and nobody has a problem with the Bill. When I look at the Order Paper, we still have two items and we do not have much time left. Am I in order to request you to call upon the Mover to respond?

Mr. Letimalo: No!

The Temporary Deputy Speaker (Mr. Ethuro): There you are! You have been answered! Prof. Olweny, while I know we were with you elsewhere, you must learn to follow procedures wherever you are. The other Order for the Committee of the whole House was directed by the Chair to be tackled in the afternoon sitting. So, we have a bit of time for hon. Members to debate this.

Proceed, Prof. Anyang'-Nyong'o.

The Minister for Medical Services (Prof. Anyang'-Nyong'o): My colleague professor is exercising a little bit of impatience. That is okay. He comes from the sugar-belt, he has a lot of energy for a lot of things some of which he knows.

Mr. Temporary Deputy Speaker, Sir, I was saying that we have no other option in this nation, but to embrace comprehensive social health cover given the history we have had. When the Constitution says that all Kenyans have a right to affordable and quality healthcare, it does not tell us how that will be financed. The assumption, of course, is that in the Kenyan history,

that will be financed by the people, the Government and the private sector. It is, indeed, only through this model that we can release pressure on the Budget. The Exchequer cannot have all the resources to meet this requirement as we have seen in the area of education. Quite a good part of our education is still handled by the private sector.

This is segmented to the extent that quality schools are subscribed to by the elite in the private sector, but there is the law from the Ministry of Education and the Government in the financing of education. That is how it works out. Nonetheless, for basic education, it is upon the Government to provide universal access to education for all Kenyans which we have been doing since 2003. This means, therefore, that it is imperative that this year we must initiate universal healthcare access to all Kenyans. We have no other alternative. We have been bedeviled by a lot of invested, transient and very selfish interest that undermine Government initiatives that we must deal with.

Having said that---

The Temporary Deputy Speaker (Mr. Ethuro): Except hon. Professor, you have concentrated on one item and we are not discussing the National Hospital Insurance Fund (NHIF).

The Minister for Medical Services (Prof. Anyang'-Nyong'o): Mr. Temporary Deputy Speaker, Sir, I am coming to that. I was just clarifying what my friend, hon. Chanzu, said although he is not in the House. However, it must go on record and in the HANSARD that I have clarified hon. Chanzu's outdated ideas regarding what we are doing in the health sector. That is very important.

Having said that, I am very concerned with the manner in which we are approaching financial matters in the House and as a nation. This is with regard to the Appropriation Bill. I want to give a very brief presentation on what I think should be the philosophy behind discussing the Appropriation Bill.

Every Government that is elected in a democratic system is elected on the policies that it presents to people in a manifesto. That manifesto forms the basis on which the Government wins the majority to form the Government. Once you form the Government, the voters expect you to fulfill your manifesto and policies. Democracy has it that when you are in the Executive, you are meant to execute your policies but you cannot execute your policies unless you tax your people. That is why in those days the Americans rebelled against the British colonialists because they said; "no taxation without representation". They did not want the British colonialists to tax them if they did not have a certain room for self governance. In a democracy, this mischief is cured by electing representatives to representative institutions like Parliament so that the representatives can give approval to the Government to tax people and use that tax according to the policies on which the Government won the votes to form the Government.

In our system in Kenya particular of democracy, we have known that the Government presents policies to Parliament in terms of Sessional or Policy Papers and on those policies go ahead to propose programmes for which they require finances from Parliament. It is, therefore, the Executive that produces policies which Parliament approve and on the basis of those policies, the Government goes ahead to look for money and proposes how to raise money and brings it to Parliament for approval.

The role of Parliament, therefore, is to look at the manner in which the Government seeks to spend the money whether that is in line with the policies that Parliament has already approved. As I understand it, it is not for Parliament to apportion monies here and there once it approves Government policies. There must be a clear division of labour between the Executive and the

Legislature. The Legislature must scrutinize expenditures and find out whether it is according to the priorities and policies of the Government and, therefore, approve because they had already approved the policies but not to alter those figures drastically such that they will depart from the policies that have already been approved.

The Kenya Government has the Vision 2030 which sets out the framework on how we should carry out public expenditure from now until the year 2030 so that by that time, we have reached a certain goal. The Government must be very clear that in every proposal they bring to Parliament, it is in line with achieving or pursuing the goals of Vision 2030. If it is not in line with Vision 2030, then Parliament should hold the Government into account and say that its proposals to spend money are out of step with the policies.

However, it seems as if we have gradually drifted towards a practice where we only look at expenditures in an isolated manner outside the overall policies that have been approved on which the Government should spend money. If you spend too much time with the little details and not looking at the bigger picture, we will not achieve Vision 2030. This is my concern. That is the mistake that we have been making since the year 2003 when I was in the Ministry of State for Planning, National Development and Vision 2030. Although the Economy Recovery Strategy said quite clearly that the social pillar of the VRS was very important in achieving our goals in economic recovery and the social pillar still remains important in achieving the Vision 2030, we seem to be downgrading the social pillar consistently and only looking at it in terms of education and not the other social expenditures that are necessary to achieve Vision 2030.

One of the most important aspects of social pillar is health. That is why after we have done our baseline study in the Ministry, we said that the Ministry of Health in order to achieve Vision 2030 needs, at least, Kshs85 billion annually to achieve that vision. If we do not, we will never do it. That Kshs85 billion can come partly from the Government in terms of the Appropriation Bill, both the Exchequer provisions and Appropriations-in-Aid but it can also come through other means. It is in those other means that the Government should propose to Parliament to approve so that we can travel effectively towards Vision 2030. I am saying this because I think we need to have a retreat after this, maybe after we come back from recess to really discuss financing Government projects including health projects. This is because unless we get this financing philosophy properly, we will be doing things in bits and pieces in this House, passing the Appropriation Bill from year to year but they do not cumulatively add up to our meeting Vision 2030.

Thank you.

Mr. Letimalo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support this Appropriation Bill. I want to start by thanking the Minister for taking the initiative to implement recommendations made by this Parliament and for involving Parliament, through the Budget Committee, in the Budget-making process; he has also involved in the process members of the public through public participation. We normally go to the public to get their views. This is the way to go and we want to encourage the Minister to continue with the process.

I want to comment on three areas; one of them is that of medical services. I am happy that the Minister for Medical Services is here. I appreciate the assistance the Government has been giving the people of Kenya and the provision of medical care. I appreciate the fact that CDF is also supplementing the efforts of the Government. I am aware that through the CDF many health facilities have been initiated to the extent that it is possible to find a health facility in every location. The majority are what they call the level II hospitals, that is dispensaries. Once these

dispensaries have been initiated by either the CDF or NGOs, it is the Government's duty to expand or upgrade them. It is possible that you will get a dispensary which requires a maternity wing. So, if the Government expands these health facilities, then certainly it will give more services to the people.

Mr. Temporary Deputy Speaker, Sir, there are situations where a health facility has been completed but it stays for long without offering services because medical personnel have not been deployed. There must have been a purpose for establishing that particular facility; so, the Government should take the initiative of deploying medical personnel to man the health facilities.

I am aware that there are areas, for example Samburu East, where mosquitoes are really a menace. There are seasons when people are forced to sleep outside their houses; we know that most pastoralists live in makeshift structures. It is important that the Government takes responsibility and supplies mosquito nets to the mosquito-infested areas.

Still on medical services, I appreciate that when the Government provides general administration and development of health facilities, Kenyatta National Hospital and Moi Teaching and Referral Hospital have been considered separately. We understand the importance of doing that. In fact, I want to commend the Minister for allocating Kshs1 billion to KNH in this financial year. We know that there are many patients from different corners of the country who are referred to the KNH. We have been there and we know the state of the equipment and buildings at the KNH. I would like to inform the Minister for Medical Services and the Minister for Finance – please, listen to us when we give these views – that we have Wamba Mission Hospital in Samburu. It is run by Catholic missionaries. This hospital is more or less a referral hospital in that region because it covers the entire Samburu County, West Pokot, parts of North Eastern and lower Eastern provinces. Patients in these areas are referred there. It also has a nursing school. It used to get donations from outside the country, specifically from Italy, but that support is no longer forthcoming. It will be important if the Government considers this hospital for assistance because it is actually a referral hospital.

The moment we hear about cattle rustling and people being involved in clashes, say between the Pokot and Samburu, casualties are referred to Wamba Mission Hospital. The services there are really going down. I appreciate that the Government has already seconded four medical doctors there, including a surgeon. At present the hospital does not have a radiographer. I would like the Minister for Medical Services to listen to me because this is the same request I made through a Question. Although the Government has already seconded medical officers, including a surgeon, to the hospital, even though the hospital operates as a referral hospital in the region, it does not have a radiographer. I made this request even to the Prime Minister when he visited the place. I may not have any knowledge of medicine, but a radiographer is required for the provision of X-Ray services. The hospital also requires an anaesthetist. So, I would like to appeal to the Government to consider this request.

Mr. Temporary Deputy Speaker, Sir, the livestock sector is crucial to the existence of certain communities, particularly pastoralists. When the Minister presented his Budget Statement he did not talk much about the livestock sector, apart from talking about the normal general administration, salaries, and development activities within the Ministry of Livestock Development. It is important to note that the people living in northern Kenya keep livestock as their main economic activity.

Mr. Kiptanui: On a point of order, Mr. Temporary Deputy Speaker, Sir. Going by the mood of the House, and having heard a number of Members of Parliament, it seems as if we are now repeating ourselves. Would I be in order to ask the Chair to call upon the Mover to respond?

Mr. Letimalo: Mr. Temporary Deputy Speaker, Sir, I think we need to give our views, especially now when we have the Ministers here.

The Temporary Deputy Speaker (Mr. Ethuro): Order, Mr. Letimalo! Even the hon. Member for Keiyo South is also giving his views. I will allow you to conclude and then maybe have one more person contributing and then we will conclude the debate.

Mr. Letimalo: Mr. Temporary Deputy Speaker, Sir, I was just saying that it is important that the Government actually considers the livestock sector, which is crucial to the pastoral communities. I was concerned that in the 2011/2012 Budget, Kshs300 million was set aside for restocking, yet this money was returned to the Treasury. It was really unfair given that those of us who come from the pastoral areas have had difficult times as a result of the severe drought that has faced our regions. Our livestock were wiped out, yet livestock is the only source of livelihood for the pastoral communities. It is important that the Ministry considers livestock keepers, especially with regard to restocking and improvement of livestock production.

Mr. Temporary Deputy Speaker, Sir, on energy, I want to commend the Government because it has supplied electricity to areas that were long forgotten. My concern here is that the progress of electricity supply is very slow. In certain areas, you find that there is no connection of electricity because of lack of transformers. It is important that the Government plans well, so that areas that are supposed to benefit from the national grid or solar energy do so.

There are areas that got electricity supply at the time we got Independence; examples are Kiambu, Kirinyaga, Meru and others. These places are allocated money every year, but what do they need this money for when electricity has already been supplied to them? I want to believe that a lot of such funds need to be reallocated to the areas that are now being supplied with electricity, so that we can at least be at par with the rest of the country.

With those few remarks, I support.

Mr. C. Onyancha: Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support this Bill and commend the very hard working Minister for Finance for the effort he has put. As I do that, I wish to bring to his attention that as much as funds are allocated to projects and to ministries, so much is returned at the end of the year because of lack of absorption while other projects are in need and are actually stalling because of lack of funds. I would be very happy if there could be some synchronisation between the projects and the ministries which are able to spend and the ones which are not able to spend so that delays do not come and that may be realized if the tendering processes are synchronized with the budget as well as the timely releases of funds. There have been known cases where funds are released in April for capital projects which may take a long time and before the tender process is completed or as soon as it is completed, you do need a lot of time for preparation. So, I would urge that, that aspect of expenditure be looked into.

Mr. Temporary Deputy Speaker, Sir, secondly, I am happy the Minister for Health is here. I want to urge and support him in saying that one of the pillars that we need to look at closely is the social pillar and among its major objectives should be to take care of old age poverty.

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

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

Madam Temporary Deputy Speaker, many of the people who retire after the age of 60 or 65 years earn pensions which were based on salaries which were very low at that particular point in time. That is the time when there is an onset of disease and poverty. As the Minister for Health considers that social pillar, he should give priority to old age poverty where medical cover is more required than among the youth and if there is to be any prioritization, that these people get looked at as the first priority.

Support from the Government for missionary hospitals - since it is the quest of the Government to give free medical cover and free treatment - should be encouraged within the capacity of the Ministry and the Government, especially in provision of drugs. I know that there are initiatives and memoranda which are signed within the Government and those hospitals for support but the process of doing that and being included is rather lengthy and so it needs to be looked into again so that full benefits can reach *mwananchi*.

Madam Temporary Deputy Speaker, I now want to turn to the Youth Enterprise Development Fund (YEDF) and the Women Enterprise Development Fund (WEDF) which are funds which are provided by Treasury. We find that in certain districts there is an over requirement of those funds and in others there is lack of uptake. It would be nice for us to be able to assess which districts do not need these funds so that we can be able to transfer them to districts like mine which need them because there is no need for Government funds to lie idle if people are not able to use them.

Madam Temporary Deputy Speaker, in conclusion as I support this Bill, I wish to just go back to issues which were raised earlier and just raise them again. There is need for reconciliation between the funds that are provided by the African Union Mission in Somalia (AMISOM) and our budgetary allocation because one of the privileges and probably rightly, that this Minister is enjoying is the confidence of the people and Parliament and we want that to continue. We need this reconciliation so that we can check if there are any excess funds so that we reallocate them to the needy causes.

Madam Temporary Deputy Speaker, lastly, the Cash Transfer Fund for the aged needs to be quickly spread across the country to all districts and not the pilot districts which have already been benefitting for the last three or four years.

With those few remarks, I beg to support.

Mr. Njuguna: Thank you, Madam Temporary Deputy Speaker, for the chance to contribute to this critical Appropriation Bill. Let me start by thanking the Minister for his steadfast co-operation and harmony with the Budget Committee. This is good for the Ministry to continue functioning properly and for the issues that affect the lives of Kenyans to be addressed well.

Madam Temporary Deputy Speaker, on security, it is important that security matters in this country be addressed critically. Currently we have the threats from the terrorists and this is scaring investment in this country. Interfering with investment is like compounding the issue of unemployment in this country. It is, therefore, important that foreign countries do not continue to meddle with the security matters of this country. Recently, we noted the US Government issuing an advisory. This advisory was not important because our armed forces and security agents are fully alert on the ground. The Ministry of Defence should be able to defend the

territorial borders of this country so that unnecessary elements do not come to interfere with peace in this country.

Madam Temporary Deputy Speaker, on roads, they were destroyed recently by the heavy rains. Bridges were swept away and it is therefore important that the Ministry of Roads comes out very quickly with the allocated funds to make sure that our roads are redone, rehabilitated and restored to the required conditions. It is important to note that our engineers on these roads are completely asleep. On the kind of works that we see on our roads, the quality is highly questionable and I recall a road that was done in Lari Constituency. This is a 65 kilometre road from Uplands to Githunguri. This road connects three constituencies and when it was done, within three months the road had deteriorated. It even became worse than it was before. So, the quality of works by the engineers and supervision must be enhanced. We should not allow rain water collected in this country to go to waste. Therefore, it is important that we do our roads well. I would also urge the Ministers to make sure that our towns are decongested. They are doing well in constructing new roads in Nairobi but we need to see the same in Mombasa, Kisumu, Eldoret and Nakuru so that road transport is improved.

Madam Temporary Deputy Speaker, on the Ministry of Agriculture, we have had floods in this country and we have seen toilets in our schools destroyed. We have seen homes, tea plantations and other crops destroyed. So, it is important that the Ministry of Agriculture comes to the rescue of these sectors. Tea farms in Lari Constituency and mainly in Gatamaiyu were swept away. So, it is important that the Minister answers the distress and the predicament my constituents find themselves in and even in other areas.

The Ministry of Foreign Affairs must be given more money because at times we have seen citizens of this country who have gone overseas to look for jobs passing on. When they are in that state, we are not able to have the bodies brought back home. There are other situations where Kenyans are in dire need of assisting Kenyans. The Ministry of Foreign Affairs has been starved of allocation of funds. Therefore, it is important that the Ministry of Foreign Affairs sets aside some funds to make sure that Kenyans who are afflicted by these problems are brought home well.

Madam Temporary Deputy Speaker, I also wish to note that we have our diplomats in certain countries who work very well. I recall I visited our UNESCO representative and I was impressed. He is really performing well and improving the image of the country. This is really good. I also visited Zambia and Dr. Cheruiyot is also representing the image of this country and addressing the plight of Kenyans in that country.

On medical services, I note that our hospitals require vehicles, nurses and doctors. Therefore, this Ministry is the most critical Ministry that should have been given more money because the nation that does not invest in the health of its people, its future is doomed. Therefore, the cry by the Minister for Medical Services is genuine and allocating Kshs1 billion is like a drop in the ocean. Therefore, I urge the Minister to explore all ways possible to make sure that this Ministry is given more funds.

Madam Temporary Deputy Speaker, recently there have been issues raised by hon. Members in this House concerning those people who have died at Kenyatta National Hospital whose families cannot afford to take their bodies. This Ministry must be given more money and the available resources should be put into good use.

On the Ministry of Water and Irrigation, this is a key Ministry and I cannot commend it because it has not done much in my constituency. We should be seeing some dams and irrigation schemes in my constituency. For the last 47 years we have not seen anything. I urge the Ministry

to be serious and make sure that we have a sewerage system in Kimende Town which is the headquarters of my constituency. We cannot allow our people to have their waste going into the nearby rivers.

Madam Temporary Deputy Speaker, concerning the Ministry of Lands, this is a key Ministry that has not been well funded. We still have people who are coming from the emergency villages. There are people today living on the roadsides and others in slums. These people should have been given more funds. They should enjoy the freedom like other Kenyans. The Motion for the freedom fighters was passed in this Parliament. They should see the benefit of their labour. Their labour is being enjoyed by other Kenyans and this should have been addressed.

Concerning the Ministry of Education, the Minister has handled the issues concerning the free primary education well. I urge the Minister to make sure that our students, parents and even teachers do not necessarily go on strikes. Therefore, releasing these funds in good time will also help. Our teachers must be paid well. Our teachers must have their salary review done well and even our lecturers at the university should be considered. Concerning the Kenya National Examinations Council (KNEC), a project that has been on for the last 24 years must be completed to enhance security.

In conclusion, I would urge the Minister to continue working tirelessly and to make sure that all Ministries are called to make sure that no impunity, misappropriation or embezzlement of funds will be realized in all these Ministries so that Kenyans will be happy.

With those few remarks, I fully support.

Mr. Ethuro: Madam Temporary Deputy Speaker, I also rise to contribute to this Bill. In supporting this Bill, I want Prof. Anyang'-Nyong'o to know that my primary responsibility is to contribute and participate in this House. The other one is secondary. In any case, he declared the Amendment Bill which was to pay me, unconstitutional. So, I have really no incentive for working for him because he does not seem to appreciate my services.

Having said that, and being a patriotic Kenyan, I offer my services. First, I want to thank the hon. Minister, Mr. Githae. When we were refusing the Motion on the Vote on Account we were asking when he will bring the Appropriation Bill. Why is it that he is taking long to bring the Appropriation Bill? So, we are happy it has been brought.

However, we want the Treasury and the Government generally, to treat this House with a bit of respect. Things seem to be always brought late. We have reason to suspect. Why are they being brought late? It is so that we have no time. The whole business of a debating chamber or Parliament is to interrogate the Executive. We cannot do so meaningfully and properly if we are not given time. If we start by reducing the publication period we might also reduce the contents to zero.

We hope in future the Government will start learning that there is a timeframe by December and it rolls out the programme so that there is sufficient time for us to engage. I think already we have demonstrated, as a House, that we have a responsibility to the nation and we will work with the Executive in order to achieve the purposes that we all intend for our country.

I heard Prof. Anyang'-Nyong'o talk about the philosophy of budgeting and Appropriation Bills which I agree with except that I thought he had gone back to the university. While I agree that every political party has a manifesto and then it comes into programmes, why should he blame us? I want to take it back to the Government side. Who is not allocating money to the sectors as both in the Vision 2030? I want the Government to know that in the supremacy of this

Constitution, Article 26 says that any treaty or convention ratified by Kenya shall form part of the law of Kenya under this Constitution.

I agree with Prof. Anyang'-Nyong'o that we are making these things rituals. Instead of looking at what conventions and treaties we have ratified as a nation--- The Millennium Development Goals (MDGs) are considered to be one of those early and primary ones. Why did we ratify the MDGs? Because we said the dehumanising effects of a poor nation must be addressed. What is the current status of the MDG? Apart from the free primary education, MDG number 2, there is nothing else you can write home about. The MDGs are supposed to be realized by the year 2015. Child mortality is still high and I am not even talking about averages.

Go to regional disparities now and you will experience that. On maternal mortalities, how many mothers are we losing every day and every year while they are giving birth? Mothers are giving life to this nation and we are losing them.

Therefore, Prof. Anyang'-Nyong'o, the Minister for Medical Services, should be happy that last year this House decided that the issue of cancer and particularly because of the albinos we cannot be looking at our people who are born with a condition and die because of the tropical temperatures in which we live and we do not do something as a House if the Government fails to do it. This House through the Budget Committee decided to allocate the Ministry money to purchase, at least, three machines. One is at the Kenyatta National Hospital while the other one is at the Coast, at least, as a start. We hope that this year we should add another three so that, at least, each provincial hospital in the country will have a machine to scan for cancer. We have left it to Prof. Anyang'-Nyong'o, who is a Minister of the Government, to make it like a voluntary individual effort when the Treasury must be allocating him money to roll out the programme for the country as a public service.

We have left it to Prof. Anyang'-Nyong'o, who is a Minister of the Government, to make it like a voluntary individual effort when you, the Treasury, must be giving him money to roll out the programme for the country as a public service. You want us, professor, to come and not do anything, not even to look at the small figures in order to address a problem that we know is there? We have 80,000 albinos in the country and this Government cannot buy a single bottle of lotion per month, so that you can elongate their lifespan. That we will not allow. We will do our bit until we get it right.

Madam Temporary Deputy Speaker, we went to Abuja as a nation; we have said the education sector must be given money. We are trying. We have said agriculture be given 10 per cent of the total Budget. Do your figures add up to 10 per cent on agriculture? We have given a commitment to give health 15 per cent. Combine both allocations to the Ministry of Medical Services and the Ministry of Public Health and Sanitation; what do you have? Six per cent! That is a third of what we wanted and we have committed ourselves to. That is why I am reading that particular Treaty section in our Constitution. It is not my writing. These are the laws we have passed in this House. This is the Constitution that the Government has sworn to defend.

This side must look at the Appropriation Bill in totality. The other day I said if the Minister for Finance was so good that his word was law, and we could take it to the bank, then we would not need the bank but the Minister. What has he done? He has ambushed us because he has not taken into account any of the recommendations that we made as a Committee of the House. These are recommendations he promised this House he would take on board. He said if there would be any disagreements, he would persuade us until we agree. You ambush us with the Appropriation Bill! Is that part of the agreement or part of arm twisting, Minister? These things

must be said. We must be as good as our words because we are hon. Members; we came here to represent our people and to do what is good for the country.

Madam Temporary Deputy Speaker, we have talked about Vision 2030, which we all agree to subscribe to. It is my prayer that every serious political party--- Kenyans must vote for any political manifesto that ensures that we have a commitment to the Millennium Development Goals (MDGs) and Vision 2030. What does our good Government do to the Vision 2030 delivery secretariat? They give them peanuts; Kshs100 million or Kshs200 million. This is a secretariat that is supposed to ensure that the flagship projects under Vision 2030 are current. The Minister for Roads will then come here and tell us in northern Kenya wait for Vision 2030; that is where your roads are. We are the ones of 2030 and there are Kenyans of the year 2012. What discriminatory practices in this day and age that we want to continue with? You are not facilitating; even if we were to wait, at least give us hope to wait. To the Vision 2030 secretariat, under my good friend and able leadership of Director-General Kibati Mugo, you are giving nothing. Are you not frustrating efforts on Vision 2030 as you are frustrating Prof. Anyang-Nyong'o by not giving him the Kshs85 billion he requires? He has been reduced to being a defender of the NHIF as if it is not an independent parastatal. These are the issues we want the Appropriation Bill to deal with, Minister. These are the issues that, when you see me I leave the Chair and come here, I want you to hear from me. You are only lucky that I will not be there with you next year, because we do not know whether we will be in this House or elsewhere.

Madam Temporary Deputy Speaker, to finalize, this House has also passed the Nomadic Education Policy. Up to now, how many local boarding primary schools have we recommended from pastoralist areas for the Government to approve? They do not approve them because there is no money given by the Government. We are interested in MDG II. Is it for the urban or is it for the poor of the poor?

The other day I heard the head of the Kenya Secondary Schools talk about the CDF and the bursaries through the CDF. I want him to know, through the Floor of this House, that the bursary is not supposed to be in the CDF kitty. It is supposed to be in the money for infrastructural development. However, because of the huge demand, need and the desire by Members of this House--- All elected people are responsible to ensure kids go to school; we make a special exception in terms of the definition of a development projects under the CDF in order to allow bursaries to be accommodated. I speak as the Chair of the CDF Committee; and I know that most of the constituencies when they do allocation of the CDF post them on the notice boards at their offices.

The Assistant Minister for Foreign Affairs (Mr. Onyonka): And on websites!

Mr. Ethuro: And on websites for those who are technologically savvy like the Assistant Minister for Foreign Affairs.

An hon. Member: And me!

Mr. Ethuro: I am not yet aware of your being technologically savvy, but if it was your neighbour, Eng. Rege, I would agree. What we do not know is the money you are giving through the Ministry of Education. We are happy this year that you have increased it from Kshs800 million to Kshs1.5 billion. We want to thank you for that. That system is still controlled by the civil servants through the office of the District Education Officer (DEO). These are things the Minister needs to check. The Government sends money either for roads or water, and because the civil servants do not seem to understand this policy scenario we are talking about. They think he has sent money for purposes of paying wages, night-outs and allowances. Remuneration is

not the capital good or service you want to render. You must render the services. I am glad the Minister of State for Public Service is here. You ought to know this.

You can only be paid because you render a service. A salary itself is not the end product of what we are doing. It is for an input known as labour but you want to ask yourself what that labour did. That labour must be productive to the extent that what it produces is enough to pay for the productivity of labour itself and leave a surplus that should go into capitalization of the country. Is that what we are doing in the public service, Minister? Is that what you are measuring in terms of value for money when you bring the Appropriation Bill here? It is far from it.

In fact, it is my submission that if the Executive does not reign in on what you call the police service, if the Executive does not reign in on the civil servants, all of you will be going home every five years, and what do we do with the civil servants? We just rotate them around in the name of transfers, thereby exporting bad habits to other areas. Thankfully, we now have a Constitution and devolution. I warned them in my constituency a few years ago, that if you are going to mess in Turkana, and you are transferred, I will look for you where you have been transferred, because you will deserve to go home and not to another area in this Republic to do the same mess you have done where we are. These are the issues that need to be reflected in terms of this money.

I support.

The Assistant Minister for Foreign Affairs (Mr. Onyonka): Madam Temporary Deputy Speaker, I will be very brief.

First of all, I would like to echo the very able and extremely apt sentiments that have been expressed by my chairman, who ably represents many of us. The truth is that we are happy to be contributing to this Appropriation Bill, even when initially many of us had certain reservations as to whether it had been done properly, whether it was being interrogated correctly and whether the Executive was actually performing its proper role and making sure that the legislature and the Executive were working together to make sure that the public, whom we are all serving, receive what is necessary for our country to move forward.

Before I continue, I would like to thank the Minister for Finance, who has come out quite ably. Given the fact that he has been in office for the last about three months, I think, to a large extent, he has carried himself well, and we appreciate it. So, I am making an assumption that any errors of omission and commission are, most probably, mistakes in good faith.

Madam Temporary Deputy Speaker, I believe that budgetary provisions and financial expenditure in any institution, Government or facility are based on the very basic principle or premise that you try to achieve certain targets and, therefore, you must have benchmarks which then allow you to achieve your targets; you will thus have funding appropriately allocated to enable you achieve those targets.

I think largely if we were to major on our performance like the Chairman, Mr. Ethuro had said in terms of how our agriculture has performed, I think to a large extent, it is reasonably and averagely okay but on some occasions when you look at the appropriations of funds and grants, for example, I was shocked that when we were having a discussion with the Permanent Secretary from the Ministry of Agriculture, I found that money had been allocated to some of the individuals in my constituency without I, as the Member of Parliament, knowing. Not that there is anything wrong in that money being allocated but we need a structure where the Legislature, especially Members of Parliament are able to know or are informed as to exactly which funds or monies are being given where, so that then we can monitor and evaluate whether this money is achieving its laid down targets.

Madam Temporary Deputy Speaker, when you look at the issue of education and, I am glad the Minister is here, I am sure he has seen many articles recently discussing where free primary education money goes. Very unfortunately, everybody at the grassroots level discusses the Constituencies Development Fund (CDF) money and yet our funds are only 2.5 per cent of the Gross Domestic Product (GDP) collectible revenue. If you look at the billions going for free education – for education only - I think we need structures and parameters into place which would control how this money is being used. This would make sure that there is proper monitoring and evaluation and which would make sure that even the community is directly involved so that we are able to monitor how these funds are being spent or utilized.

On the issue of bursaries, I totally agree that the bursary funding has done an excellent job even with a few problems here and there. I believe that this has been a worthy cause and I believe it is going a long way in making sure that we support especially the very poor students and children who are going to school.

On the issue of health, it is true that under the Economic Stimulus Programme (ESP), as mentioned, we have constructed very good health centers but these health centers do not have beds, medicine, incinerators even though some of them are doing them now. It is important that the Government has a meeting with us to tell us what is going to happen next because buildings are there now. They have electricity but we have nothing. They are not being utilized and it is important that they are. I know that some money has been allocated for this and this will go a long way in solving the problem that the Chairman came up with, trying to reduce the child maternal health statistics which, if you look at the Millennium Development Goals (MDGs) and health being one of the benchmarks or the pillars, in Kenya, we have done badly on this.

When you look at the performance of the CDF, I would say that I want to thank the Minister for having stood up and firmly stated that the CDF will be maintained. It may change the format of how it comes to the county governments but let us not destroy this very wonderful devolved funding system which was created some ten years ago. The issue of misuse or money being mismanaged can be dealt with legislatively but I believe that we should never allow the CDF to die because when you look at many of the African countries now, many of them are taking the CDF as a module of development for devolving funds from the center to the grassroots. I am sure you will agree with me that many of the issues in Africa on poverty, bad politics, bad governance, misappropriation and misallocation of funds is because there is too much power at the center and the funds are also concentrated at the center and the center will manipulate and misappropriate these funds. The CDF for us is a model that we need to jealously guard. We should make sure that we safeguard it.

Last but not least, I am happy with this Appropriations Bill particularly for us who come from the Gusii County. I am happy that the Level Five General Hospital has been allocated more funds for expansion because of our population. We are very proud of that hospital. I think we have moved a long way and we are also very happy that monies have been allocated to other wards. We are only making a request, for example, if you go to Kisii Township today, you will realize that all the by-pass roads which were done two years ago have all collapsed because of poor workmanship and because of lack of supervision. We are hoping that the Ministry for Roads will own up and make sure that we consider these to be things of the past.

Madam Temporary Deputy Speaker, finally, I think it is important that we do not overstretch our Recurrent Expenditure. The Government needs to come up with more specific structures on how we can control the money we are spending on fuel and salaries. We need to make sure that we get value for money for our country to move forward. Other than that, I

believe that our country is moving in the right direction and I am very proud to be in this House. If anything can be blamed on the Tenth Parliament of all the negative issues that have been discussed about it, I think, first, we have finally come up and implemented budgetary provisions according to the Constitution. This is something that this Parliament should be commended for.

With those few remarks, I beg to support.

Mr. Outa: On a point of order, Madam Temporary Deputy Speaker. Having heard from hon. Members eloquently contributing to this Motion, I also want to concur with Mr. Ethuro even by the manner which the heads of schools sat in Mombasa trying to discredit the good work that we have done with the CDF funding. We want to thank the Minister for the positive way that he is guiding his Ministry.

After saying that, would I be in order to request that the Minister for Finance responds?

(Question put and agreed to)

The Minister for Finance (Mr. Githae): Madam Temporary Deputy Speaker, let me take this opportunity right from the outset to thank hon. Members for their contribution which we have taken seriously. Even more, I will just respond to one or two issues that were raised. One, even with the money in the Appropriations Bill, I am looking for money and I am happy to say that I have now found money. I have found a financier who is going to finance the Voi-Mwatate to Moshi Road. There is now a financier for Turbi up to Moyale Road. We have a financier for Wajir-Modogashe Road and even more importantly, we have found a donor for Dongo Kundu, that is the by-pass in Mombasa which is going to transform that area at the coast because we want to make sure that *Pwani ni Mombasa*. So to do that, we must make sure that everybody feels they are part and parcel of it.

We are also almost on the verge of concluding agreements to finance the road to Juba through the western part of Kenya. We have money for Timboroa-Eldoret to Malaba and that will continue from Kitale to Lodwar to the small town there called Lokichoggio, Nadapal and then Juba. So we are almost on the verge of concluding that agreement. This is what I call investing for the future. We will start getting dividends in the next two or three years when these roads are completed.

The other one was mentioned by hon. Members. I would like to conclude in the next two minutes, I would like to give the Government's commitment to Free Primary and Secondary Education programmes. That is there. We will continue. I think one Member raised the issue of absorption capacity. I am also happy to report that the absorption capacity of Ministries is increasing and Accounting Officers have been instructed that the return of money to the Treasury will be deemed not in conformity with performance contracts. Why should a Ministry return money to Treasury at the end of the year when it has not fulfilled its mandate?

The other one is Vision 2030. The Vision 2030 Secretariat is not the one that implements the project. The projects are implemented by the various Ministries. So, the little money you find for the Vision 2030 Secretariat is really for administrative purposes. It is not for implementing Vision 2030. For example, LAPSSET, which is going to transform the North Eastern areas of this country, again, because it is of a huge amount, cannot be funded through the Budget. We are looking for a financier and already, we have two. We are almost concluding so that we can do the Lamu up to Isiolo Road first. That will connect to the one now from Isiolo-Garissa-Chalbi-Moyale.

Madam Temporary Deputy Speaker, to conclude, let me say that I have taken the views of Members seriously and Treasury, as you may have realized, will now work together with Parliament so that we can start developing this country and bring development to all parts of the country.

With those words, I beg to move.

The Minister of State for Public Service (Mr. Otieno) seconded.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a Committee of the Whole House tomorrow)

COMMITTEE OF THE WHOLE HOUSE

(Order for the Committee read)

*[The Temporary Deputy Speaker
(Mrs. Odhiambo-Mabona) left the Chair]*

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

THE PUBLIC SERVICE COMMISSION BILL

The Temporary Deputy Chairman (Mr. Ethuro): Order, Members, we are in the Committee of the whole House, Order No. 11 (ii). You know the first one was rescheduled for the afternoon. So, we will deal with the Public Service Commission Bill (Bill No.16 of 2012).

Mrs. Odhiambo-Mabona: On a point of order, Mr. Temporary Deputy Chairman. I wish to raise an issue in relation to this Bill. I know that, ordinarily, the Committee would have brought a report but when we were at the Second Reading, several Members raised certain issues, which the Minister promised to take on board.

Mr. Temporary Deputy Chairman, Sir, on that undertaking we did not, therefore, raise independent amendments because we took the Minister's word. Even though I know we follow procedure, but we are also an honourable House and we go by honourable words. So, I would just like to know from the Minister what the position is because we raised very fundamental issues. Just as an example, one of the issues that I personally raised was on the mode of appointment and, especially, the Committee that will appoint the Commission.

If you look at the First Schedule, it just says that the selection panel shall be drawn from professionals from the public and private sector. If you look at the way we have gone in other Bills, we have had a very open and transparent way. Even the panels have been appointed--- We have known who they are and how they have been appointed. That was one of the things.

The other thing that we had suggested was in the issue of sexual harassment, amongst many others. So, especially when we are going to be doing things in a hurry and we are entrusting a lot of faith on Ministers when they give us their words and, especially, as we are moving towards elections, we want to take the Minister's words seriously. We would also like to

know that the Minister does not take the House for a ride when he promises to do certain things and he does not.

So, Mr. Temporary Deputy Chairman, Sir, would I, therefore, be in order to ask that the Minister puts off the Third Reading until such a time that he has adopted what we suggested? That is because he did say that he is going to adopt those views. He did not say he had problems with them unless he was misleading the House.

Mr. Temporary Deputy Chairman, Sir, could we, please, have directions on that?

The Temporary Deputy Chairman (Mr. Ethuro): Let me hear from the Minister first. Mr. Minister!

The Minister of State for Public Service (Mr. Otieno): Mr. Temporary Deputy Chairman, Sir, I did promise that I will look at the proposals which they had made. I did look at the proposals and did not find reasons that would have compelled me to amend the Bill. Like the proposal that the panel should be listed, we have had this provision in other panels before. When it is the President constituting the panel, they sit with the Prime Minister and the two of them agree on the membership of the panel. That constitutes the basis on which they advertise for the constitution of the panel. It has worked before and there are adequate checks and balance when the two offices go in that direction.

As to the matters of harassment, already, those are in the code of conduct and the human resource management policy in the Government. As to adding gender and age diversity, I did not find merit adding age because gender is already included in the Constitution. Not more than two-thirds should be of any gender. Regional diversity is now well established. Age is not necessary. It is just the youth and the others. It is just two categories and the youth covering up to 35 years. There are adequate provisions already in the law that we did not need to amend this to satisfy the principals that the Members requested.

(Dr. Eseli stood up in his place)

The Temporary Deputy Chairman (Mr. Ethuro): It is not enough to stand hon.---- Yes, what is it hon. *Daktari*.

Dr. Eseli: Mr. Temporary Deputy Chairman, Sir, I think the Executive is trying to claw back some of the powers that the Legislature had taken, in the essence that the selection panel that is going to be constituted--- In the other selection panels that have been constituted, the names have even come to Parliament for approval. Thereafter, the selection panel go and start functioning. So, I do not understand why this particular one should not be done that way.

The Minister of State for Public Service (Mr. Otieno): Mr. Temporary Deputy Chairman, Sir, hon. Eseli did raise the issue of the panel. It is the commissioners' names that come to the House. The panel will consist of people who are going to advertise those posts, shortlist, interview and recommend to the President. The President and the Prime Minister will send the names of proposed commissioners to Parliament for vetting. The selection panel is not vetted by the House.

Mrs. Odhiambo-Mabona: On a point of order, Mr. Temporary Deputy Chairman, Sir. I thank the Minister for attempting to respond to my point of order but I have raised a fundamental issue which the Minister needed to address himself to.

Actually, maybe unless the Records bear me out, the Minister did not say that he may look at. He said he had no problem. Indeed, he said then that he will adopt some of the issues that we had raised.

Mr. Temporary Deputy Chairman, Sir, for me, the fundamental issue is that we will be doing things in a hurry. We will actually be shortening the period that we need to do certain Bills as provided by the law. For us to be doing that, we must be dealing with a lot of faith. So, Ministers cannot come and give us their word that they will adopt our amendments and they do not. We do not also bring our amendments. They do not do exactly what they had agreed to do. Indeed, contrary to what the Minister is saying, many other panels, even if they do not come to the House, they are done openly and transparently. There has been a procedure. You say they will be selected through the Law Society of Kenya, this body and that body. This Bill has no such provision.

As much as I am an ardent supporter of the Prime Minister, it is not enough to just mention the name of the Prime Minister. I support the Prime Minister within the ambit of the law. I do not support the Prime Minister outside the ambit of the law.

Mr. Temporary Deputy Chairman, Sir, as much as I am an ardent fan of the Prime Minister, it is not enough to just mention the name of the Prime Minister. I support the Prime Minister within the ambit of the law; I do not support him outside the ambit of the law. I am a sycophant within the Constitution and the law. Anything outside, I am not sycophantic about. So, even if you mention the name of the Prime Minister, you must follow the Constitution---

The Temporary Deputy Chairman (Mr. Ethuro): Order, Mrs. Odhiambo-Mabona! There are no hon. Members who are sycophants. I do not think anybody even raised that matter. I think, Mr. Minister, you just need to assure the hon. Members. But for the Chair, really, we are at the Committee Stage. The Committee did not do a report. There is no resolution by the House to the findings of the Committee because that is, really, the only way in which the Chair can determine either way. So, in the absence of that, it is your word against his. I will just proceed. You can ventilate and I also think that since the Minister is also allowed to amend whatever, you can always consult and see what the Minister can accommodate in the limited time we have.

The Minister of State for Public Service (Mr. Otieno): Mr. Temporary Deputy Chairman, Sir, I am willing to accommodate any proposals by way of direct amendments, if acceptable but without notice; we can do them right way.

The Temporary Deputy Chairman (Mr. Ethuro): It is not acceptable without notice from the hon. Members, but it is acceptable with notice from you.

The Minister of State for Public Service (Mr. Otieno): Bring it, we will settle the serious ones.

The Temporary Deputy Chairman (Mr. Ethuro): Order, hon. Members! We are, therefore, in the Committee of the Whole House. We will proceed with the Public Service Commission Bill, 2012.

(Clauses 2, 3, 4, 5, 6 and 7 agreed to)

Clause 8

The Temporary Deputy Chairman (Mr. Ethuro): Hon. Members, before I even propose that Clause 8 be part of the Bill, you should look at page 1313 of the Bill on the arrangement of clauses; you have eight general principles and then the next one is eight again; oath of affirmation of office. So, those ones seem to be---

Mr. Minister, you need to listen to this one. The Leader of Government Business, you can also help. If you look at Clause 8 on the arrangement of Clauses on page 1313 of the Bill, you

have two clauses 8; the first one is on general principles while the other is on the oath of affirmation of office. But in terms of the body, it is the oath or affirmation of office. So, our proposal is that we clean up for the first one.

The Minister of State for Public Service (Mr. Otieno): Mr. Temporary Deputy Chairman, Sir, you did rule before that those can be cleaned by the technical committee.

The Temporary Deputy Chairman (Mr. Ethuro): I was just pointing out.

The Minister of State for Public Service (Mr. Otieno): Thank you, Mr. Temporary Deputy Chairman, Sir.

The Temporary Deputy Chairman (Mr. Ethuro): Okay, I, therefore, wish to propose the question, that Clause 8 in terms of oath of affirmation of office, be part of the Bill.

(Clause 8 agreed to)

*(Clauses 9, 10, 11, 12, 13, 14, 15, 16,
17, 18, 19, 20, 21, 22, 23, 24, 25,
26, 27, 28, 29, 30, 31, 32, 33 and 34 agreed to)*

First Schedule

The Minister of State for Public Service (Mr. Otieno): Mr. Temporary Deputy Chairman, Sir, we have agreed on a small amendment on Section 1 of the First Schedule as follows.

THAT, the First Schedule be amended in Paragraph 1(1) by inserting after the word “drawn” the expression “through an open and competitive process”

(Question of the amendment proposed)

*(Question, that the words to be inserted
be inserted, put and agreed to)*

(First Schedule as amended agreed to)

The Temporary Deputy Chairman (Mr. Ethuro): Order! The Government side in particular needs to respond because I have to dispose of this matter. It is a vote.

The Minister of State for Public Service (Mr. Otieno): Yes, Mr. Temporary Deputy Chairman, Sir. There is Section 8 of the Schedule. It says:-

“Despite the foregoing provisions in this section---”

Actually, it should be “in this Schedule.”

The Temporary Deputy Chairman (Mr. Ethuro): Which Schedule, Mr. Minister?

The Minister of State for Public Service (Mr. Otieno): It is the First Schedule, Mr. Temporary Deputy Chairman, Sir. There is Section 8, which is the last one. It says:-

“Despite the foregoing provisions in this section---”

Actually, it should be “of this Schedule.”

The Temporary Deputy Chairman (Mr. Ethuro): Is that the only thing?

The Minister of State for Public Service (Mr. Otieno): Mr. Temporary Deputy Chairman, Sir, that is the only thing.

We should delete the word “section” and replace it with the word “schedule.”

The Temporary Deputy Chairman (Mr. Ethuro): The Deputy Leader of Government Business, you should help more with the procedures than trying to help to do the illegality.

So, we have already put the Question. The schedule is amended. But I think that is an issue that you can clear with the Legal Department.

(Second Schedule agreed to)

(Third Schedule agreed to)

(Fourth Schedule agreed to)

(Title agreed to)

(Clause 1 agreed to)

The Minister of State for Public Service (Mr. Otieno): Mr. Temporary Deputy Chairman, Sir, I beg to move that the Committee doth report to the House its consideration of The Public Service Commission Bill and its approval thereof with amendment.

(Question proposed)

(Question put and agreed to)

(The House resumed)

*[The Temporary Deputy Speaker
(Mrs. Odhiambo-Mabona) in the Chair]*

REPORT, CONSIDERATION OF REPORT AND THIRD READING

THE PUBLIC SERVICE COMMISSION BILL

Mr. Ethuro: Madam Temporary Deputy Speaker, I beg to report that a Committee of the whole House has considered The Public Service Commission Bill and approved the same with amendment.

The Minister of State for Public Service (Mr. Otieno): Madam Temporary Deputy Speaker, I beg to move that the House doth agree with the Committee in the said Report.

The Assistant Minister, Ministry of State for Public Service (Maj. Sugow) seconded.

(Question proposed)

(Question put and agreed to)

The Minister of State for Public Service (Mr. Otieno): Madam Temporary Deputy Speaker, I beg to move that The Public Service Commission Bill be now read the Third Time.

The Assistant Minister, Ministry of State for Public Service (Maj. Sugow) seconded.

(Question proposed)

(Question put and agreed to)

*(The Bill was accordingly read
the Third Time and passed)*

MOTION

ADOPTION OF REPORT ON IRREGULARITIES AT CIVIL SERVANTS OUTPATIENT MEDICAL INSURANCE SCHEME

THAT, this House adopts the Report of the Departmental Committee on Health on alleged irregularities of the rolling out of the civil servants outpatient medical insurance scheme, volumes I and II, laid on the Table of the House on Tuesday 5th June, 2012.

(Dr. Monda on 13.6.2012)

(Resumption of Debate interrupted on 13.6.2012)

The Temporary Deputy Speaker (Mrs. Odhiambo-Mabona): The Chairman of the Committee on Health had the Floor.

Dr. Monda: Thank you, Madam Temporary Deputy Speaker, Sir, for the opportunity, for the third time, to move this Motion on the irregularities at the National Hospital Insurance Fund (NHIF).

*[The Temporary Deputy Speaker
(Mrs. Odhiambo-Mabona) left the Chair]*

*[The Temporary Deputy Speaker
(Mr. Ethuro) resumed the Chair]*

Mr. Temporary Deputy Speaker, Sir, during the earlier two times of moving this Motion, we dealt with the matters that the Committee was dealing with what the issues were at the NHIF. We talked about how the outpatient scheme for civil servants was conceptualized. It was in a rushed manner. The other one was the choice of service providers by the recipients of the services; the civil servants. The choice was not done by the civil servants, but rather the NHIF, where they were allocated facilities that they were not aware of. They were not given an opportunity to identify and choose the service providers.

Mr. Temporary Deputy Speaker, Sir, there was lack of awareness of the civil servants to the kind of service, where the service would be provided and where, indeed, the outpatient

scheme was to start. There was no consideration of the geographical locations and residences of the public servants and their dependants. So, the choice of service providers, which are health centres, both public and private hospitals---

The Temporary Deputy Speaker (Mr. Ethuro): Hon. Chairman, you still have 30 minutes to move. It is just a reminder.

Dr. Monda: Thank you, Mr. Temporary Deputy Speaker, Sir, for that reminder.

That means that the civil servants and their relatives or dependants, were allocated to facilities that were far away from where they reside. That means that they could not access the service when they needed it.

Fourthly, we also dealt with the capacity of the service providers where civil servants were allocated. The Committee realized that some of the service providers did not have capacity to serve the members who were allocated to them.

There were also non-existent facilities. The Committee learnt that out of the 377 facilities that had been identified by NHIF to provide service to members, two very key in this scheme were given majority of the members. These two are the Meridian Medical Centre which was allocated 32,000 principal members. The Clinix Healthcare was allocated in excess of 56,000 principal contributors. After that allocation of members to service providers, we were informed with evidence from both the Minister of State for Public Service and the Minister for Medical Services that, indeed, several of the branches of both Meridian and Clinix Healthcare were not in existent. A letter written by the Minister of State for Public Service to NHIF indicated that there were 11 facilities that never existed as by February, 2012 yet, the scheme was rolled out to provide service from 1st January, 2012. What happened was that there was a contract to provide services to members, but where the services could be obtained was not available. That is what we considered to be non-existing service providers. Whether it is non-existent or ghost service providers, all of them mean the same because they never existed at the time they were expected to give service.

Mr. Temporary Deputy Speaker, Sir, out of 56 outlets for Clinix Healthcare, as at the beginning of January, 2012, there were only 22 registered branches that existed in this country. In the list of providers that were circulated to members of NHIF or civil servants, there were 56 branches. Out of the 56 listed branches, 22 existed by January which gives us a difference of 34 providers that never existed at the time they were contracted to give service. Therefore, 34 branches could not provide service to the members allocated to them. Therefore, it means that 34 service providers were ghosts or non-existent. So, the monies indicated by NHIF to have been paid to those branches were paid to ghost service providers. We, as a Committee, recommend that the amount paid to non-existing facilities be recovered.

As a Committee, we recommended that the amount that was paid to non-existent facilities be recovered. If you move to the Meridian Medical Centre, you will find that the registered service providers were 13 as at the beginning of January, 2012 and yet that was the time the programme was rolled out. If you look at the list provided by the National Hospital Insurance Fund (NHIF) to the Committee, you will see that there were 18 service providers that were enlisted and paid for to provide services to the members. The difference is that 13 were registered but 18 were paid. We have five that were paid, indeed, at a time that they were not in operation to give service.

We consider all monies that were allocated to these facilities because the list tabled by the NHIF indicated a facility and the amount of money for each service provider. For Clinix, 56

service providers were paid for providing services. For Meridian, 18 were listed and each one of them was shown to have been paid.

We had a list given by the Administrator of the Fund but that is the premise from where the payments were done. For Meridian, we have five branches that were paid for not providing any service. We recommended that the amount be recovered because it was paid to facilities that could not give services. From that point, therefore, we noticed that the Ministry of State for Public Service was aware of the non-existence of these facilities. There was even a letter written to the NHIF showing that there were facilities that never existed.

At this point, we understand that the Ministry did not advise the NHIF to suspend these payments because the Ministry had detected that the contract was flawed because the service providers were not in existence. It is from this premise that we recommend investigations against the Minister of State for Public Service. They knew that there were facilities that did not exist that had been contracted but did not raise a red flag or to question the contracting of such facilities where no services would be provided to members.

Moving on, the Minister of State for Public Service indicated earlier when he appeared before the Committee, in 2010, when he also doubled as the Acting Minister for Medical Services, that---

The Minister of State for Public Service (Mr. Otieno): On a point of order, Mr. Temporary Deputy Speaker, Sir. The reason that the Chairman is purporting to ask for my investigation is not in the report and two, my awareness of non-existent outlets--- He is mixing up outlets and service providers. The service provider is either Clinix or Meridian. The non-existent are outlets claimed by Meridian. So, there is a service provider contracted by the NHIF that exists and has several outlets that exist and some outlets that do not exist. My awareness is in the visitation Report dated February, 2012 which I presented to the Committee. In the visitation report, I raised a number of issues and requested the Fund to address them. I raised issues on infrastructure, diagnostic services, human resource availability in the outlets, pharmaceuticals and non-pharmaceuticals, referral systems, information and the report does not even go beyond what I gave including the terms of reference which this Committee took into account.

I table this Report. The chairman should be truthful in his allegations with regard to the Ministry of State for Public Service.

(Mr. Otieno laid the document on the Table)

The Temporary Deputy Speaker (Mr. Ethuro): Order, Members! Hon. Chairman, you will have 20 minutes to proceed with this matter once it comes back on the Order Paper. I will remind hon. Members that the Speaker's *Kamukunji* that had been scheduled for 11.00 a.m. is still on immediately we leave the Chamber.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Ethuro): Hon. Members, we have come to the end of today's sitting. Therefore, the House stands adjourned until this afternoon, at 2.30 p.m.

The House rose at 12.30 p.m.

