

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 16th June, 2016

The House met at 2.30 p.m.

[The Speaker (Hon. Muturi) in the Chair]

PRAYERS

COMMUNICATION FROM THE CHAIR

DISCHARGE OF MEMBERS FROM JUSTICE AND LEGAL AFFAIRS COMMITTEE

Hon. Speaker: Hon. Members, this is Communication No. 32 on the discharge of Members from a committee.

I wish to report to the House that my office is in receipt of a letter from the Minority Party Whip, notifying that the Coalition for Reforms and Democracy (CORD) has discharged the following Members from the Departmental Committee on Justice and Legal Affairs:-

1. The Hon. David Ouma Ochieng, M.P.
2. The Hon. Neto Agostinho, M.P.
3. The Hon. Kaluma Peter, M.P.
4. The Hon. Fatuma Ibrahim Ali, M.P.
5. The Hon. Ben Momanyi Orari, M.P.
6. The Hon. T. J. Kajwang', M.P.
7. The Hon. (Bishop) Mutua Mutemi, M.P.
8. The Hon. Olago Aluoch, M.P.
9. The Hon. Christine Oduor Ombaka, M.P.
10. The Hon. Benjamin Andai, M.P.
11. The Hon. Mwamkale William Kamoti, M.P.

Hon. Members, in the letter, the CORD Coalition alleges that its decision to discharge its membership from the said Committee arose from perceptions that appropriate consideration may not have been accorded to the input of its Members on certain matters before the Committee. In particular, the coalition cites the matter of the Independent Electoral and Boundaries Commission (IEBC) and other electoral reforms. It is my view that both the leadership of CORD and Jubilee coalitions in this House ought to listen to one another and avoid taking any action or making certain pronouncements that are likely to erode the ongoing crucial engagements on electoral reforms and electoral institutions already taking place outside this House.

In this regard, I humbly beseech the leadership of CORD Coalition in this House to reconsider its decision, especially due to fact that, as your Speaker, I have not received any complaint formally or informally from Majority or Minority parties in the House, or from any

Member of the Departmental Committee on Justice and Legal Affairs, regarding the affairs of the Committee or indeed any other Committee of the House.

Nevertheless, Standing Order No.176 is absolute that the Speaker has no role in the process of discharging Members from committees, save for the practice that the Speaker conveys such information to the House. Pursuant to the provisions of the said Standing Order, therefore, the affected Members are accordingly informed and the discharges take effect immediately. I also hasten to add that the discharges do not invalidate the transaction of the business of the Committee so long as the requisite quorum is achieved.

I thank you.

Hon. A.B. Duale: On a point of order, Hon. Speaker.

Hon. Speaker: The Leader of the Majority Party, what is your point of order?

Hon. A.B. Duale: Because you have mentioned the leadership, it is sad. I want to ask my colleagues on the CORD Coalition that as two coalitions, we are already actively engaged in an attempt to resolve the question of the IEBC through the formation of a select committee. Without prejudicing the ongoing talks, listening to your Communication, I also wish to state that I have faith that the two sides are going to agree to the text of the mandate of that Committee and related matters. I am sure that to this end, the Jubilee Coalition is committed to this process. I am sure my colleagues in the CORD are also committed to this process in the interests of the people of Kenya.

The new development in the Departmental Committee on Justice and Legal Affairs serves to pour cold water on the very genuine efforts by both sides. We know that the Justice and Legal Affairs Committee is one of the important Committees of this House dealing with critical institutions like the IEBC, the Judiciary and others.

We have just seen today that three positions have been advertised, that of the Chief Justice, the Deputy Chief Justice and a Member of the Supreme Court. Ultimately, some of those nominees have to be vetted by the same Committee. The Departmental Committee on Justice and Legal Affairs has crucial bills before it which are part of electoral reforms which were there before this issue came up. I am talking about the constitutional amendment of Kenya 2016 on the issues that they have received from the Judiciary and, of course, the issue of whether the IEBC is the right institution to deal with the primaries. The Committee was looking at whether that should be left to the Political Parties Tribunal.

I wish to use the Floor of this august House to reiterate our commitment as Jubilee to dialogue and a cohesive process that was requested by the CORD Coalition. In this regard, I wish to extend that our colleagues on the other side must accept dialogue and reconciliation. I want to ask them to reconsider that decision. As you have said, nothing has come from the leadership. As we prepare as a coalition, for the formation of the Select Committee, using your Communication, I want to beg our other leadership that we are on the roadmap of bringing a Motion, if we all agree to select a committee of 14 people. I say 14 because we have already agreed on the numbers so that they concurrently allow the Departmental Committee on Justice and Legal Affairs to do its mandate.

I am sure the quorum is there. The names you have read are 11 Members in total. The Departmental Committee on Justice and Legal Affairs Committee as of this afternoon has its membership from only one coalition.

The route we are taking---

Hon. Speaker: I am sure they have heard you.

Hon. A.B. Duale: I am just using your Communication. The leadership is not there but I am sure senior Members are here.

Hon. Wamunyinyi: Hon. Speaker---

Hon. Speaker: You are not recognised in the Standing Orders, but you can hold brief. I am sure Hon. Wamunyinyi will take that message. Let us all think about Kenya. Before we go to the next Order---

(Several Hon. Members pressed intervention buttons)

Hon. Members, there is nothing out of order. I can see a number of interventions. This was just Communication. If you look at Standing Order No.176, I am merely required to communicate. The Members affected are, with immediate effect, discharged from the Committee. It does not call for any debate.

Hon. Wamunyinyi: On a point of order, Hon. Speaker.

Hon. Speaker: Hon. Wamunyinyi, let us just proceed. You are not one of the affected Members in any event.

Hon. Wamunyinyi: On a point of order, Hon. Speaker.

Hon. Speaker: They did not recognise your height in appointing leadership. What is it that you want to say, Hon. Wamunyinyi? One minute. We have a lot of business to transact.

Hon. Wamunyinyi: Thank you very much, Hon. Speaker, for that Communication. I have no intention of contradicting your Communication. I would like to say that as CORD Coalition, we are committed to ensure that the peace in this country is protected and that our country does not slide into chaos. We are committed to ensure that the negotiations move on smoothly. The reasons for the action taken have been communicated. It is because of the manner in which the Department Committee on Justice and Legal Affairs has conducted itself. It is not in line with the spirit of the proposed negotiations by the CORD Coalition.

We are still committed to ensuring that negotiations go on and that the issue of the IEBC is resolved amicably and Kenya protects its peace.

Thank you.

Hon. Speaker: Hon. Chepkongá, let us not go there because it will be an altercation.

Hon. Chepkongá: --- *(Inaudible)*

Hon. Speaker: No more comments on that one. Regardless of anything being discussed or being negotiated outside the House, the Committees of this House are still within their mandates and powers to conduct business as mandated in the Standing Orders. The Standing Orders are very clear. Hon. Members, we have a lot of business.

Hon. Members, allow me to recognize students who are seated in the galleries as follows: In the Speaker's Gallery, we have pupils from All Saints Kebulonik Primary School from Mosop Constituency, Nandi County; Naiperere Primary School from Laikipia North Constituency, Laikipia County, and PCEA Imani Primary School from Kibwezi East Constituency, Makueni County. In the Public Gallery, we have students from Kanusin Boys High School from Bomet Central Constituency, Bomet County; Mashimoni Primary School from Kibera Constituency, Nairobi County; Kiptororo Secondary School from Kuresoi North Constituency, Nakuru County; Kenyoro Secondary School from Chuka Igambangómbe Constituency, Tharaka Nithi County, and Sukari Presbyterian Primary School from Ruiru Constituency of Kiambu County.

They are all welcome to observe the proceedings of the National Assembly this afternoon.

(Some Hon. Members walked in the Chamber)

Hon. Members, including the Member for Lafey, take your seats please. Member for Lafey, you are an elder of the House.

MESSAGES

SENATE MESSAGES ON PASSAGE OF BILL

Hon. Members, Standing Order 41 relating to Messages requires the Speaker to expeditiously report to the House any Messages received from the Senate. In this regard, I wish to report that on Wednesday 15th June, 2016, in accordance with the provisions of Article 110 (4) of the Constitution, I received four Messages from the Senate regarding the passage of the following Bills:-

- (i) the County Governments Disaster Management Bill (Senate Bill No.40 of 2014);
- (ii) the County Assembly Services Bill (Senate Bill No. 27 of 2014);
- (iii) the County Hall of Fame Bill (Senate Bill No. 33 of 2014); and,
- (iv) the Universities (Amendment) Bill (Senate Bill No. 31 of 2014).

Hon. Members, these Bills were passed by the Senate on 5th May, 2016 with amendments. The Senate now seeks the concurrence of the National Assembly to the said Bills, in accordance with Article 110 of the Constitution. I am aware that the Clerk has since circulated copies of the four Bills. After being read the First Time, pursuant to the provisions of Standing Order No.143, the Bills will stand committed to the relevant Departmental Committees for consideration as follows:

S/No.	Bill	Departmental Committee
(1)	The County Governments Disaster Management Bill (Senate Bill No. 40 of 2014)	Administration and National Security
(2)	The County Assembly Services Bill (Senate Bill No. 27 of 2014)	Administration and National Security
(3)	The County Hall of Fame Bill (Senate Bill No. 33 of 2014)	Labour and Social Welfare
(4)	The Universities (Amendment) Bill (Senate Bill No. 31 of 2014)	Education, Research and Technology

The Committees are expected to submit their respective reports before the Bills are considered by the House during the Second Readings.

I also direct that before the Bills are scheduled for Second Reading, the Budget and Appropriations Committee submits to the House its recommendations on each of these Bills, pursuant to Article 114 of the Constitution relating to money Bills.

Thank you.

PETITIONS

REMOVAL OF IEBC COMMISSIONERS FROM OFFICE

Hon. Speaker: Hon. Members, for the convenience of the House, the Members who are on their feet must freeze.

Hon. Members, pursuant to the provisions of Article 251 of the Constitution of Kenya and Standing Order No.225 (2) (b), I hereby convey to the House that my office is in receipt of a petition from one Barasa Kundu Nyukuri, a resident of Bungoma County, seeking the removal from office of the chairperson and the eight members of the Independent Electoral and Boundaries Commission (IEBC). The petitioner cites incompetence and lack of integrity as the grounds for removal of Mr. Ahmed Isaack Hassan as the chairperson of the IEBC; and Ms. Lilian Bokeeye Mahiri-Zaja, Mr. Albert Camus Onyango Bwire, Mr. Kule Galma Godana, Amb. Yusuf Nzibo, Mr. Abdullahi Sharawe, Ms. Thomas Letangule, Ms. Muthoni Wangai and Mr. Mohamed Alawi as commissioners of the IEBC.

Hon. Members, in the petition, the petitioner prays that the National Assembly:-

- (i) immediately deliberates on this Petition as a matter of urgency;
- (ii) interrogates and ascertains the grounds of this petition for removal of the Chairperson and the eight Commissioners of the IEBC, pursuant to Article 251(2) of the Constitution;
- (iii) resolves that this petition discloses sufficient grounds for removal of the said Commissioners under Article 251(1)(a), (b) and (d) of the Constitution; and,
- (iii) recommends that His Excellency the President appoints a tribunal to investigate the named Commissioners in accordance with the provisions of Article 251(3) and (4) of the Constitution.

Hon. Members, as you are aware, a petition for removal of persons from office in accordance with Article 251 of the Constitution is different from ordinary public petitions. In accordance with Standing Order 230(3), this petition therefore stands committed to the Departmental Committee on Justice and Legal Affairs for consideration. The Committee is required to guide the House, by way of a Report, on whether the petition satisfies the grounds for removal of a member of a Constitutional Commission as stipulated in Article 251(1) and (2) of the Constitution. The Committee is required to submit its report to the House within a period of 14 days as contemplated under paragraph (4) of said Standing Order, unless the House grants a further extension. Thereafter, the House will have another 10 days within which to consider the report and resolve whether or not the petition contains grounds for removal of the Chairperson and Commissioners of the IEBC, pursuant to Standing Order 230(5).

Hon. Members, I am aware that the Departmental Committee on Justice and Legal Affairs is currently working jointly with the Constitutional Implementation Oversight Committee on matters related to electoral reforms, including the electoral institution. As I said earlier in my communication, I am also mindful that there are other crucial ongoing engagements outside Parliament touching on electoral reforms and, inevitably, on the question of the Office of the Chairperson and members of the IEBC. I therefore urge the Committee to consult widely before tabling its report in the House.

Next Order!

PAPERS LAID

Hon. A.B. Duale: Hon. Speaker, I beg to lay the following Papers on the Table of the House:-

(i) Annual Report and Financial Statements of the Kenya National Commission on Human Rights for the year, 2015/2016;

(ii) Annual Report and Financial Statement for the National Hospital Insurance Fund (NHIF) for the year 2014/2015;

(iii) Report of the Auditor-General on the Financial Statements of Kenya Urban Roads Authority for the year ended 30th June, 2015 and the certificate therein.

Thank you.

Hon. Speaker: Hon. David Pkosing, proceed as a Member of the Kenya Delegation to the Inter-Parliamentary Union (IPU) conferences.

Hon. Pkosing: Hon. Speaker, I beg to lay on the Table of the House the Report of the Kenyan Delegation to the following IPU conferences:-

(i) the 133rd Assembly of the IPU and its related meetings held in Geneva, Switzerland, from 15th to 21st October, 2016; and,

(ii) the 134th Assembly of the IPU and related meetings held in Lusaka, Zambia, from 17th to 23rd March, 2016.

Thank you, Hon. Speaker.

NOTICE OF MOTION

ADOPTION OF REPORT OF THE KENYA DELEGATION TO THE 133RD AND 134TH ASSEMBLIES OF THE IPU

Hon. Pkosing: Hon. Speaker, I beg to give notice of the following Motion:-

THAT, This House adopts the Report of the Kenya Delegation to the 133rd and 134th Assemblies of the IPU and related meetings held in Geneva, Switzerland, from 15th to 21st October 2015 and in Lusaka, Zambia, from 17th to 23rd March 2016, respectively, laid on the Table of the House on Thursday 16th June, 2016.

STATEMENTS

HOUSE BUSINESS FOR THE WEEK COMMENCING 21ST TO 23RD JUNE, 2016

Hon. A.B. Duale: Hon. Speaker, pursuant to Standing Order No. 44(2) (a), on behalf of the House Business Committee (HBC), I rise to give statement regarding the business of the House for the week beginning 21st June, 2016.

The HBC met on Tuesday at the rise of the House to give priority of business for consideration. A conscious decision has been taken to schedule a Senate Bill each week as evidenced on Order Nos.13, 14, 15 and 16 in today's Order Paper. Should we not conclude these Bills today, we will continue with them next week.

On Tuesday next week, the HBC has prioritized to debate the Special Motion on approval of the second generation formula for equitable sharing of national revenue allocated to counties. Hon. Members will recall that the current formula was approved by the National Assembly during the tail-end of the 10th Parliament to be used in 2013, 2014 and 2015. The same formula has also been proposed to be used in 2016/2017 Financial year.

Article 217 of the Constitution provides that Parliament can review the formula. Indeed, the Senate has considered and concluded consideration of the formula and forwarded it to the National Assembly for review. Under the said Article, the National Assembly has 60 days within which to consider and reject or approve the formula with or without amendments. If 60 days lapse without the action of the National Assembly, the formula will be deemed to have been approved by the National Assembly in the form approved by the Senate.

The formula was referred to the National Assembly on 21st April 2016, so the stipulated period will lapse on 21st June 2016. I therefore request all Members to be available on the said date, which is next week, to undertake the important task. It should be noted that a two-thirds majority is required to either amend or reject the formula as proposed by the Senate. That point is very important. For this House to amend or reject the revenue sharing formula, the requirement is a two-thirds majority.

Thereafter, priority will be accorded to the County Allocation of Revenue Bill, 2016 and the Appropriations Bill if debate on the Report of the Budget and Appropriations Committee regarding the 2016/2017 Budget Estimates is adopted.

On questions before Committees, the following Cabinet Secretaries (CSs) are scheduled to appear before Committees of the National Assembly on Tuesday, 21st June 2016:-

The CS for Interior and Coordination of National Government will appear before the Departmental Committee on Administration and National Security at 10.00 a.m. to answer questions from Hon. Abdullahi Diriye, Hon. Francis Mwangangi, Hon. Raphael Otaalo, Hon. Ben Momanyi and Hon. Robert Pukose.

The CS for Public Service, Youth and Gender Affairs will appear before the Departmental Committee on Labour and Social Welfare at 10.00 a.m. to answer questions from Hon. Alois Lentoimaga, Hon. Abdikadir Ore, Hon. Manson Nyamweya and Hon. Patrick Makau.

The CS for Energy and Petroleum will appear before the Departmental Committee on Energy, Information and Communication at 10.00 a.m. to answer questions from Hon. Shakila Abdalla, Hon. Isaack Mwaura and Hon. Joe Mutambu. However, the CS has just written to the House that he will not be available that day. We will communicate to the relevant Members. Through the office of the Clerk and your office, we will communicate to the specific Members by the end of today to notify them on the next time the CS will be available.

Finally, the House Business Committee (HBC) will convene on Tuesday, 21st June 2016, at the rise of the House, to consider business for the coming week.

I now wish to lay this Statement on the Table of the House. Thank you, Hon. Speaker.

(Hon. A. B. Duale laid the document on the Table)

Hon. Speaker: I think it is important for Members to appreciate that, that report from the Senate, which is made pursuant to the provisions of Article 217 of the Constitution, dealing with the revenue sharing formula, if Members are not present to deal with it on Tuesday, because I noticed most Members were not even listening, it will be deemed to have been passed in the form that it was passed by the Senate. Of course, if you do not agree with what the Senate passed, it is a requirement that you must raise not less than 233 of yourselves. Certainly, I am not included. That day is the 60th day. Unfortunately, it has come at the very last day. However, I must thank the Member for Kiharu for also raising some issues yesterday during debate on the County Allocation of Revenue Bill.

Hon. Chepkong'a: On a point of order, Hon. Speaker.

Hon. Speaker: What is your point of order, Hon. Chepkong'a?

Hon. Chepkong'a: Thank you, Hon. Speaker. I rise pursuant to Standing Order 83. I note that you have referred the Petition to our Committee. As you know, we are undertaking a very important process on electoral reforms in accordance with our mandate. Considering the time you have given us, I appeal to you that when we come back to the House--- As you know, we are considering the Constitution of Kenya (Amendment) Bill and the Independent Electoral and Boundaries Commission Bill.

These two Bills were discussed in the Committee by both coalitions. In fact, Hon. Njoroge Baiya is the one who proposed the adoption of that report, seconded by Hon. David Ochieng' and agreed to unanimously by all the members who were present, including Hon. T. J. Kajwang'. We have been conducting our meetings in a very amicable manner.

I would like to notify you that there is a tendency in this country to seek to emasculate the independence of Members in this House and freedom of speech and debate. I would like you to defend my right to speak in the manner in which I would like to speak because it is guaranteed in Article 117(1) of the Constitution. If I am going to be controlled from outside, then I cease to have freedom of speech and debate in this House.

(Applause)

The space of Members of Parliament in this country is being restricted and constricted to the point that we are unable to speak and debate freely amongst ourselves. So, I would like to appeal to you to guarantee that space.

I have previously proposed an amendment to the Standing Orders so that we can protect the rights of every Member, whether in Jubilee or not. I do not know because tomorrow I can disagree with the Jubilee leadership and this Leader of the Majority Party can de-whip me. You can see the way he talks. You know I am an independent thinker. The people of Ainabkoi have elected me to come here and I must be able to express what the people of Ainabkoi have told me until they remove or re-elect me in 2017.

(Applause)

Hon. Speaker, I would still like to beg you and your Committee to consider the amendment to the Standing Orders as proposed by me. This was not a simple matter. It was supported by over 50 Members as required by the Standing Orders. So, I would like to urge you in the spirit of the Constitution whose Article states very clearly that it behooves you to uphold and protect the Constitution, including protecting me in debating freely and without restriction. I would urge you to consider the proposed amendments that appear to have a lot of goodwill from Members. I am being stopped on the corridors every time and accused of having sold the signatures of Members. I would like you to rescue me from some Members because it is not me but your Committee which has quarantined the proposal.

I thank you, Hon. Speaker.

Hon. Speaker: Certainly, my Committee does not quarantine any proposals. For the comfort of Hon. Chepkong'a and all those that signed up his proposal, the Committee has since sat, considered the proposals and indeed made recommendations which are on their way to the plenary.

Your proposals have been considered. Of course, the Committee took into account various aspects including the right of Members to speak freely and the right of political parties to which Members may affiliate themselves to have some power over their membership. It is striking a balance between those two rights because even political parties are recognised in the Constitution but the right to belong to a political party is also in Article 38 of the Constitution. The right to fully express yourself as a Member cannot be curtailed and it is for that reason that some proposals that have been suggested will be interesting for Members to debate here including the fact that for a Member to be disciplined, he must be through a process and the transgressions that the Member is proposed to be punished for must relate to business of the House as such business and not considerations outside the House. Those proposals and recommendations are on the way for the Members to debate.

Hon. Chepkong'a, on the 14 days I announced, I deliberately made the observation that I am aware that your Committee and Hon. Baiya's are engaged in some other exercises. You are at liberty to seek extension of time. You are not constrained to the 14 days. If you are too busy, which I think you are, you should feel free to bring an application for extension of time.

Hon. Onyonka: On a point of order, Hon. Speaker.

Hon. Speaker: What is your point of order, Hon. Onyonka.

Hon. Onyonka: Asante sana, Mhe. Spika, kwa kuniruhusu kuleta suala hili ambalo ni muhimu na nyeti. Kama Wakenya wanavyojua, tulijihusisha kuhakikisha kuwa tuna amani na uhusiano mwema na majirani wetu. Tumekuwa tukiwaheshimu majirani wetu. Nchi ya Sudan Kusini ni nchi ambayo Kenya ilijihusisha kuhakikisha kuwa imepata uhuru. Lakini kuna masuala ambayo yamejitokeza hivi karibuni ambayo ni ya huzuni na yametufanya kujiangalia kama nchi ambayo inafanya mema lakini inaletewa shida na majirani wetu.

Mkenya mmoja anayefanya kazi na benki ya Kenya Commercial Bank (KCB) ambaye anaitwa Bw. Samuel Magati Osoro alishikwa na Serikali ya Sudan Kusini na kupelekwa korokoroni tangu mwezi wa nne na mpaka wa leo, hajaachiliwa. Wazazi na benki yake haijui mahali aliko. Kama Mbunge wake, ningependa kuuliza Waziri wa Masuala ya Nchi za Kigeni, Bi. Amina Mohamed, aje kwa Kamati inayoshughulika na Masuala ya Nchi za Kigeni atueleze mambo matatu: Osoro yuko wapi? Je yuko korokoroni au ameuwawa? Kama Wakenya, tunajua kuwa Wakenya wamedhulumiwa na wale ambao wanafanya biashara kule Sudan Kusini. Wamenyang'anywa mali na wengine wao kufungwa kiholela na hata hawapelekwi kortini. Tatu, ningependa kuuliza Kamati inayohusika na Masuala ya Nchi za Kigeni wasafiri Sudan Kusini ili wajue idadi ya Wakenya walio korokoroni, wale ambao kesi zao ziko kortini na tuulize Serikali ya Sudan Kusini sababu inayowafanya kuwa na uhusiano mbaya na nchi ya Kenya ilhali tuliwasaidia kupata uhuru.

Asante, Mhe. Spika.

(Applause)

Hon. Speaker: On the first issue of the specific Kenyan, I think the Leader of the Majority Party could take up that just like we used to have Questions by Private Notice. It is important to see if we can get some response. I want to urge Committees to attend meetings scheduled on Tuesday to get information from very senior responsible Government officials but if you insist that you can only listen to a Cabinet Secretary (CS), then you are shooting yourself in the feet. I think it is enough to have a Principal Secretary (PS) who has answers which you need and is a person who can give an assurance to a Committee of Parliament. The PS is an

accounting officer in the Ministry. You should be able to receive that kind of information. You should not tie yourself to waiting to see the face of some CS. Never mind how they look like but be ready to be addressed by PSs, when in appropriate cases, the responses and answers that you require are within the knowledge of those PSs or such like other senior Government officials who can be held accountable by Parliament. Granted that the CS for Foreign Affairs is a person that obviously is in and out of the country, this is the kind of information that can come from a PS if he is available, even if it is on Tuesday.

I believe Hon. Richard Onyonka is a ranking Member of the Departmental Committee on Defence and Foreign Relations. Raise that matter, make a determination and proposals because the Speaker's Office is ready to facilitate your Committee to travel to the Republic of South Sudan, hold discussions with your counterparts there and see if you can help this country resolve some of those problems. That should be within your Committee, raise it, discuss and once you agree, let the leadership of the House know because you also have a responsibility like the other leadership of the country to know the role you can play to ensure that there is good coexistence between our two sister countries. Leader of the Majority Party, you can perhaps respond to this.

Hon. A.B. Duale: Thank you, Hon. Speaker. This is an urgent matter. Under the new Constitution, we do not have assistant ministers and the CS for Foreign Affairs is doing the work of a minister and that of an assistant minister. I am sure the PS will come to answer but if I get the full information, we will write to the Ministry of Foreign Affairs. As of today, both the CS and the PS are away. If they get back over the weekend, we will request them to appear before the Committee to respond to this urgent matter.

I was with Hon. Onyonka in the 10th Parliament and he was the leader of a team of MPs, together with Hon. Kamama, who were drumming support for the referendum for South Sudan. Lucky enough, I rejected although there were good incentives - accommodation and the air ticket were paid for. About 50 MPs were drumming support for the independence of South Sudan. I am happy today because three or four years down the line, Hon. Onyonka is a victim of the same Government that he was drumming support for.

Hon. Speaker, what he said is true. This House must rise to the occasion. Kenyans have filled up the jails in South Sudan, particularly Kenyans from my community. I speak for my community. In that country, an Army General can walk to your business premises, kick you out and take over your business. Members of Parliament will agree with me that Kenyans are being returned home in coffins from South Sudan. Professionals like teachers and doctors who have worked in South Sudan cannot get back their hard-earned money. This House's Departmental Committee on Defence and Foreign Relations has some very key diplomats, like Hon. Wafula Wamunyinyi and Hon. Onyonka. We are here to represent the people of Kenya. We must ask hard questions to the Government of South Sudan. They should either tell us that they do not want Kenyans in that country so that we close the border or treat Kenyans the way they treat Ugandans, South Africans and Chinese. As we speak, the South Sudanese treat Kenyans as if they do not belong to this earth. I am sure that each hon. Member in this House has three or five cases of constituents who have suffered in South Sudan. Petrol stations and other businesses owned by Kenyans are being taken over by Army Generals. Therefore, the Departmental Committee on Defence and Foreign Relations must undertake a fact finding mission. The Ministry of Foreign Affairs and International Trade must talk to the Ambassador of South Sudan.

With those few remarks, I beg to support.

Hon. Speaker: Hon. Robert Pukose.

Hon (Dr.) Pukose: Thank you, Hon. Speaker. I rise on a matter of House procedure.

When Members table questions, they are not public documents before the Leader of the Majority Party or the Speaker brings them to the Floor of the House. Yesterday, I highlighted a question which is on its way to the Floor of the House regarding one of my colleagues from my county. Unfortunately, he went to the Table Office and pretended that I had sent him to make a copy. After making the copy, he sent it to the County Commander of Trans Nzoia County, because the question pertains to the Kenya Police Reservists (KPRs). I have several KPRs in my constituency. We have about 700 KPRs in the county who have been deployed to guard Government and private installations, and they are to be paid. I wanted to know whether the said officers are given any allowances. If there is any money generated from their service, what happens to it? If KPRs take care of an installation, money is generated from such service. Can that money be accounted for? How come the KPRs are not being paid anything despite the fact that they guard those installations?

When I raised this issue, Hon. Chrisantus Wamalwa sent a message through Whatsapp to the County Commander of Trans Nzoia County. The message reads as follows:-

“The Member for Endebess *anaclaim* Trans Nzoia *mnakula* kickback ya KPRs. Can all Officers Commanding Police Division (OCPDS) answer where their KPRs work as he intends to take the above matter to Parliament? So, we expect questions. You know, you have a free hand on deployment of KPRs. Kindly, have it in place *isigeuzwe fitina*.”

When a colleague does something like that, I feel that my life is threatened because he is taking information to the County Commander of Police, who provides security to the whole county. What is the intention of an hon. Member in sending such information to that person? Is he soliciting for anything? What are his intentions?

Hon. Speaker, I wanted you to give guidance on this matter. This is not honorary behaviour from the colleague, whom you have just consulted. He lies to the Clerks-at-the Table that he has been sent by Hon. Pukose to make a copy of a question I had filed and proceeds to send it to the County Commander before the document becomes public.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Purkose, the response should be in two parts. There is one that is administrative. The Clerk's Office should take note that when a Member files a question, it does not become the property of the House until it is asked on the Floor of the House. Therefore, it is not right that another Member sneaks in and tries to get the details of a question filed by another Member and begins to use it. That is not proper. Our members of staff will be instructed accordingly that, except for the Member who filed the question, another Member should not go to get details of such question for whatever reason. If they claim to have been sent, there must be something in writing. There must be evidence in writing that they have been sent by their colleagues. Hon. Members send their colleagues. However, it is fair for the members of staff to be given evidence that an hon. Member has sent another.

The other aspect of your question is a matter that should go to the Powers and Privileges Committee. I ask the Leader of the Majority Party and the Leader of the Minority Party, like I said earlier this week, to quickly constitute Members of the Powers and Privilege Committee. The Leader of the Majority Party is the Chair of the Committee on Selection. The Committee is non-existent but the Chairperson is there. I am the Chairperson. I need Members to sit with me because a matter like the one you have raised would easily touch on privilege of Members.

Hon. Members, let me also recognise pupils from Muthaiga Primary School from Nanyuki, Laikipia East Constituency in Laikipia County.

(Applause)

COMMUNICATION FROM THE CHAIR

PRESENCE OF THE THIRD NATIONAL CHILDREN'S GOVERNMENT ON SPEAKER'S GALLERY

Hon. Members, this Communication relates to recognition of the newly elected officials of the Third National Children's Government. Today we have the following 10 officials of the Third National Children's Government seated in the Speaker's Gallery: Esbon Goche, President; Sarafina Atieno, Deputy President; Ann Wambua, Speaker; Debra C. Rono, Deputy Speaker; Jackie Kibe, Cabinet Secretary for Environment, Health and Sanitation; Nicole Moly, Cabinet Secretary for Justice, Peace and Cohesion; Brian Maingi, Cabinet Secretary for Sports and Culture; Clement Okoth, Cabinet Secretary for Education; Isaac Kilui, Cabinet Secretary for Children's Welfare and Special Needs; Judith Batha, Cabinet Secretary for Information and Communication Technology (ICT) and External Relations.

(Applause)

They are accompanied by 10 officials from **UNICEF** and the Kenya Primary Schools Head Association.

(Applause)

Hon. Members, the delegation is here to acquaint itself with the workings of the National Assembly and build the capacity of the newly elected leaders in readiness to lead deliberations on the five resolutions of the Third National Children's Congress. These resolutions touch on inclusive learning classrooms; equity and equality; safety and protective environment; health and nutrition and community linkages and partnerships.

On my behalf and on behalf of the House I welcome the delegation to observe the proceedings of the National Assembly and I also congratulate the officials for their election and wish them an illustrious term in office.

Thank you.

(Applause)

Hon. (Ms.) Odhiambo-Mabona: On a point of order, Hon. Speaker.

Hon. Speaker: What is your point of order, Hon. Millie Odhiambo, Member for Mbita?

Hon. (Ms.) Odhiambo-Mabona: Thank you, Hon. Speaker. Before I raise my point of order, a Member of the Speaker's panel is threatening me that I will go to jail on hate speech.

First of all, I congratulate the young persons who are members of the Children's Cabinet. I would like to bring to the attention of the House that today is the day of the African Child which commemorates the day many South African children were massacred as they were demonstrating.

(Hon. Onyura walked on the aisle)

Hon. Speaker: Just a minute, Hon. Millie Odhiambo. I want to educate the hon. Member. Just stand where you are. When you take your seat, look at Standing Order No.10 (2).

“No Hon. Member shall walk between the Speaker and a Member speaking.”

Hon. Onyura, please, I need to see the Member for Mbita as she explains about---

Hon. (Ms.) Odhiambo-Mabona: Especially when it is the Member for Mbita.

Hon. Speaker, I was just saying that today marks the day of the African Child. As a champion of children, it is the day the world commemorates the day several children were killed in South Africa as they were demonstrating against the Afrikaans language. They wanted to speak a language of their choice in schools. Many of them were killed. So the whole world is today commemorating the day of the African Child. In fact, this morning we had a very beautiful meeting between the Parliamentary Caucus on Children and Parliamentarians for Global Action, both of which I am the chair with the children. They also sent us a memorandum whose theme is “Conflict and its effect on Children”. They shared very beautifully. The strong message they gave is that even when we disagree, let us do so peacefully.

My other point of order is that there is a day we came to Parliament and found a list of documents out there. One had my name. It showed that I owed an imprest of Kshs100--- When I went to the imprest office, they said that it was a mistake. I do not owe any imprest but, because Kenyans love me, it is in the social media which I do not mind. What I mind and need clarification on is whether that amounts to hate speech. I was even researching whether my name “Millie” is hate speech. I looked at the root, its style and its intonation whether it amounts to hate speech. When I walk out there - I was in court in the last many days, that is why I have hardly been in the House - I was shocked at the interpretation of what hate speech is. I do not know whether my style - I am wearing Calvin Klein boots today - is hate speech? I would love to know from the House whether that is hate speech, but do I say, Hon. Speaker.

(Laughter)

Hon. Speaker: The Member for Mbita is almost spoiling the very good message she had about children and the African Child. Hon. Millie Odhiambo, that matter was raised on the Floor of the House last week by Hon. Gumbo who is the Chairman of Public Accounts Committee. He too, notwithstanding the fact that the Auditor-General’s Report goes to his Committee and the Deputy Speaker, were included. We called for a correction. It has since been corrected. That newspaper chose to make the correction in the last Saturday edition. I am sure not many of you may have seen it but they made that correction. Subsequently, after the Auditor-General came across it, the matter was explained and cleared. There is no Member who owes any imprest. That is the truth of the matter but again, this calls to question the issue of imprest around the end of the month of June which causes that kind of complications. The Auditor-General has since promised that he will be making closer checks to ensure that it does not include names of Members. Even the newspaper picked the names from the Auditor-General’s Report. Indeed, it should never have reached there. Those are matters that were resolved long ago. I agree. Knowing that something is likely to happen on the second Tuesday of August of 2017, it is my responsibility to ensure that such things do not reoccur particularly in subsequent reports of the Auditor-General. The staff have been accordingly instructed. The Commission sat and examined

that Report after Hon. Gumbo raised it. It is a matter that has been addressed. I believe and hope it will not recur.

I cannot answer the issue of the origins of your name or whether it amounts to hate speech. I do not think that your name is a speech. It could be hate but I am not too sure that it is speech. I cannot respond to that, Hon. Millie Odhiambo.

We can go on with the rest of the business.

BILL

Second Reading

THE VALUE ADDED TAX (AMENDMENT) BILL

Hon. Speaker: Hon. Members, the business shown on the Order Paper as business No.8 which is a Bill moved by Hon. Wafula Wamunyinyi was concluded yesterday morning. What remains is for the Question to be put which I hereby do.

(Hon. Wamunyinyi on 8.6.2016)

(Resumption of Debate interrupted on 15.6.2016 - Morning Sitting)

(Question put and agreed to)

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

MOTION

REDUCTION OF PUBLICATION PERIOD

Hon. Speaker: Hon. Benjamin Langat, Chair of Departmental Committee on Finance, Planning and Trade.

Hon. Langat: Hon. Speaker, I apologise for not moving this Motion yesterday. I was in the last minute engagement with Chair of the Budget and Appropriations Committee to cause an amendment to this report. I apologise for that mishap.

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

THAT, pursuant to the provisions of Standing Order 120, this House resolves to reduce the publication period of the Finance Bill (National Assembly Bill No. 20 of 2016) from 14 to 6 days

As it appears there, this is just a procedural Motion so that this Bill can proceed to the First Reading which is the next Motion and Parliament can be properly seized of it so that we can move it forward.

The Finance Bill is very important to the Budget. We are currently discussing the Report of the Budget and Appropriations Committee. I urge the House to support this Motion so that we can be properly seized of the Bill and progress it forward. We will, therefore, support the Budget, which the Chairman is almost finalising.

I beg to move.

Hon. Speaker: Who seconds?

Hon. Langat: I request my Vice-Chair to second.

Hon. Speaker: Let us have Hon. Gaichuhie, Vice-Chairman of the Budget and Appropriations Committee.

Hon. Gaichuhie: Thank you, Hon. Speaker. I would also like to apologise for what happened yesterday. It is true that we were engaging. That is why it is important that we reduce the publication period from 14 to six days, knowing that the Finance Bill is very important for the country and continuation of the Budget process.

With those few remarks, I beg to second.

Hon. Speaker: Order, Members!

(Hon. A.B. Duale consulted in the gangway)

Leader of the Majority Party!

(Question proposed)

Hon. Speaker: Hon. Members, I thought this was the holy month of Ramadhan.

(Laughter)

If it is the desire of the House, I will put the Question.

(Question put and agreed to)

BILL

First Reading

THE FINANCE BILL

(Order for First Reading read – Read the First Time and ordered to be referred to the relevant Departmental Committee)

Hon. Speaker: The Chair of the Departmental Committee on Environment and Natural Resources appears to be in a very foul mood today. What is the problem?

MOTION

ADOPTION OF REPORT ON THE BUDGET ESTIMATES FOR
THE FINANCIAL YEAR 2016/2017

THAT, this House adopts the Report of the Budget and Appropriations Committee on the Budget Estimates for the National Government, the Judiciary and Parliament for the Financial Year 2016/2017, laid on the Table of the House

on Tuesday, 7th June, 2016 and pursuant to the provisions of Section 39 of the Public Finance Management Act, 2012 and Standing Orders 235 and 239, approves the issuance of a sum of Kshs1,674,321,238,405 from the Consolidated Fund to meet the expenditure during the year ending 30th June 2017 in respect of the Votes, as indicated in the First Schedule, and the issuance of a sum of Kshs12,400,000,000 from the Equalization Fund to meet the expenditures as indicated in the Second Schedule subject to:-

(i) inserting the following new sub-paragraphs immediately after the sub-paragraph (d) under further recommendations on page 39–

(e) Allocate Kshs4,896,765,057 for the recurrent expenditures for the ‘Senate Affairs’ programme under the vote Parliamentary Service Commission.

(f) Allocate Kshs4,985,234,943 for the recurrent expenditures for the ‘General Administration, Planning and Support Services’ programme under the Vote Parliamentary Service Commission.

(g) Allocate Kshs3,200,000,000 for the development expenditures for the ‘General Administration, Planning and Support Services’ programme under the vote Parliamentary Service Commission.

(h) Allocate Kshs15,348,000,000 for the recurrent expenditures for the ‘National Legislation, Representation and Oversight’ programme under the National Assembly.

(ii) inserting a new sub-paragraph(xxii) under Paragraph 98 (Recommendations) as follows:

(xxii) Increase the capital allocation to Vote 1065, State Department for University Education under the programme University Education for Turkana University by Kshs600 Million;

(iii) inserting a new sub-paragraph (xxiii) under Paragraph 99 (Recommendations) as follows-

(xxiii) Reduce the capital allocation to the State Department for Energy under the programme, Power Transmission and Distribution programme by Kshs600 Million from the following: Kshs300 million from Turkwel-Lokichar line and Kshs300 million from off-grid diesel power stations; and

(iv) inserting the following new sub-paragraph immediately after the subparagraph (d) under further recommendations on page 39 –

(e) Allocate additional Kshs1,000,000,000 to the development expenditure for the ‘Economic Policy and National Planning’ programme under the Vote, State Department for Planning and Statistics for the National Government Constituencies Development Fund.

(v) effecting the consequential amendments to the total sum approved and the First Schedule accordingly.”

(Hon. Musyimi on 9.6.2016)

(Resumption of Debate interrupted on 15.6.2016 – Afternoon Sitting)

Hon. Speaker: Hon. Mutava Musyimi, can you dispose with the further amendments so that we can discuss the Motion as amended.

Hon. Musyimi: Hon. Speaker, I beg to move:-

THAT, the further amendment to the Motion on the Adoption of the Report of the Budget and Appropriations Committee of the Budget Estimates for the 2016/2017 Financial Year be further amended:-

By deleting part (iii) of the further amendment and substituting thereof with the following:-

(a) Deleting sub-paragraph (xvi) under increments relating to Lake Basin Development Authority (LBDA) on page 34 (b)

(b) Deleting sub-paragraphs (xvii) and (xviii) under increments on page 34 and substituting thereof with the following:-

(xvii) Increase Kshs700 million for Tourism Development and Promotion Programme under the Ministry of Tourism for the following:-

(a) Tourism Finance Corporation by Kshs500 million for onward lending in line with the Corporation's mandate.

(b) Ronald Ngala Utalii College by Kshs200 million for construction and civil works.

(xviii) Increase Kshs200 million for Trade Development and Promotion under the Ministry of Tourism towards the construction of access roads to Meru National Park.

(xix) Increase recurrent allocation by Kshs50 million to the General Administration, Planning and Support Services Programme for the National Treasury towards the Kenya Trade Networks.

As I move this further amendment to the further amendment, on page 34 of the Committee's report which I have quoted, the section that is being deleted reads as follows"

"Increase Kshs1.5925 billion to the State Department for Planning and Statistics for Lake Basin Development Authority (LBDA) towards payment of pending bills for construction of a mall in Kisumu."

I wish to make a few comments on this and then I will ask Hon. Duale, the Leader of the Majority Party to second. We have held lengthy consultations on this matter as a Committee and also consulted fairly extensively with the Cabinet Secretary of the National Treasury and his team from the Exchequer. The communication that we have received, on authority of the Cabinet Secretary, is that there are pending issues on these pending Bills, namely, matters that have not been cleared yet to the satisfaction of the Cabinet Secretary of the National Treasury. He has requested that we do not advance this money or make these monies available as requested by this report so that he can at least put aside the many questions that this transaction has invited in his office. We are, therefore, deleting that part, which in effect means that this entire sum of money will be returned to Treasury.

That is as it should be. As you are aware, there is a fairly serious deficit as it is. As the Chairman of the Parliamentary Service Commission (PSC), you are aware that one of the institutions that finds itself constrained to deepen the deficit is the PSC itself because of the issues that we discussed yesterday. The least we can do, given the facts that I have observed, is to return this money to the National Treasury pending the investigations that the Exchequer will

be carrying out. I leave the other matters in the amended Motion to my good friend, Hon. Duale, to now second.

I beg to move.

Hon. Speaker: Just before you are seconded, on page 770 of the Order Paper, what becomes of the former proposed amendment? What becomes of part (iii) of the further amendment? This is the amendment that talks about the amount of Kshs705.2 million.

Hon. Musyimi: That is now what the Leader of the Majority Party will discuss as he seconds the Motion. I have dealt with the first item. That is mixed with other issues that I would rather he address. The Chairperson of Departmental Committee on Finance, Planning and Trade is also here.

Hon. Speaker: Who is seconding?

Hon. Musyimi: My good friend, Hon. Duale, Member for Garissa Township is seconding. He is a man of many capacities.

Hon. A. B. Duale: Hon. Speaker, he needs to tell the House the categories of those capacities so that I can confirm those which belong to me.

Hon. Speaker, I beg to second the amendments as proposed by the Chair of the Budget and Appropriations Committee.

Hon. Speaker, the amendment that was very controversial yesterday was on where the Lake Basin Development Authority (LBDA) built a mall. The first moral question was when Government institutions started building malls. That is a function of the private sector. That mall has been completed. They are getting rent remittances of over Kshs50 million. To the knowledge of the Budget Office, there was no request by the Ministry of Environment and Natural Resources or the LBDA in the Report of the Chairman. As I said yesterday, if there are no requests from the parent ministry and institutions as seen in the Report that was tabled by the Chairman of the Committee, anything can be improper.

We are the same House that accuses the National Treasury of increasing the public debt. We are the House that says we have little resources for water in our constituencies. Again, we are the same House that wants to approve Kshs700 million to be paid to a Chinese contractor as a pending bill.

I want to go on HANSARD that a director of the LBDA, with a Member of Parliament, approached me this morning at the car park. They said: "We are aware that you opposed this thing yesterday. The Chief Executive Officer (CEO) of LBDA wants to see you. We want to have a chat with you." That tells me that there was corruption on this matter. If that request did not come from the Ministry, it means that a Chinese contractor is lobbying this House to get the Kshs700 million. That is money of the people of Kenya. He wanted Kshs1.5 billion. If you share out that amount amongst the 290 constituencies in this country, each constituency will get Kshs5 million. That amount translates into a borehole. I am happy that the Chairman of the Budget and Appropriations Committee has decided to remove the whole amount, after consultations. I want the House to agree with me that one deals with the Office of the Attorney-General on pending Bills. The respective ministry must deal with that office. This is a whole corruption cartel. We must save the Kshs700 million. We can give it to another department that needs it more, like the Constituencies Development Fund (CDF), or we return it to the National Treasury so that it reduces our public debt.

(Applause)

I ask hon. Members to support the amendment of the Chairman of the Committee as it is. The money has been returned to the National Assembly. Days are gone when contractors can lobby Members of Parliament or the leadership when there is no request from the parent ministry. I want to go on record that I am ready to name the people who approached me.

This request was not there.

Hon. Speaker: Hon. Duale, you were to address the issue of the Kshs700 million. It is true that the Chairman's amendment is now, according to you, addressing the original Report. What becomes of this other amendment? Will we vote on it?

Hon. A.B. Duale: Hon. Speaker, the amendment that the Chairman has read out is like the one touching on the Report. It says that he is deleting the whole of that section of the Report. If that one is carried, the amendment on the Kshs700 million becomes null and void.

Hon. Members: On a point of order!

Hon. Speaker: Hon. Members, this is an amendment to a Motion which has been seconded. How can I see some of you saying "point of order"? Look at your Standing Orders. It is not possible at all. It does not happen.

I need to propose the Question before you can say the things you want to say.

(Question, that the words to be left out be left out, proposed)

Hon. Speaker: Is there anybody who wishes to contribute to the Motion?

Hon. Makali Mulu, this is an amendment to a further amendment.

Hon. Mulu: Thank you, Hon. Speaker.

I want to get some kind of clarification from the Leader of the Majority Party. What he has said raises a lot of issues in terms of procedure. I am surprised to hear that the amount which appears on this paper seems to have been introduced in this House, and not from the ministry or department or agency. This is a very serious matter. Parliament does not initiate Budgets but discusses them. There could be some amendments through discussions with the Departmental Committee under the respective ministry. I am aware that before we get to this level of budgeting, the Chairperson will have sat with the Budget and Appropriations Committee and presented their budget as discussed with the ministry. That would ensure that such amendments are discussed through the different stages.

When I heard that this amount could have been sneaked into the Budget without being discussed with the department concerned, I was surprised. This is a criminal matter. The Leader of the Majority Party will do justice to this House and Kenyans if this is made a matter for investigation. This is corruption. It raises serious questions in terms of how many items we are seeing and passing yet they were sneaked into the Budget. That is one of the general questions I wanted to ask. The Chairman answered it when he made his presentation. It is unfortunate that I did not sit in the Budget and Appropriations Committee this year. I do not know whether the Budget and Appropriations Committee sat and went through all the items and agreed on them. That is due to these many amendments. When you read this Order Paper, you wonder why we have so many amendments. To me, the Leader of the Majority Party needs to do justice to this House by helping us to make recommendations that are matters for investigations.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Members, please, let us deal with the further amendment to the amendment by the Chair of the Budget and Appropriations Committee. The effect of which is to reduce to nullity the proposed amendment by the Chair of the Departmental Committee on

Finance. Let us deal with that and not go to side stories. Financial matters become a bit difficult and muddled when you put in some little bit of salt and sugar.

Hon. Amina Abdalla, earlier on, you were not in a very good mood, this being the holy month of Ramadhan. Somehow, the machines have decided to fail.

Hon. (Ms.) Abdalla: Hon. Speaker, whereas I do not oppose the proposed amendment by the Chair of the Budget and Appropriations Committee, this is a House of records. Some of the statements that have been made here are incorrect and I want to correct them.

The Committee on Environment and Natural Resources, though I did not Chair that session, was told by the Ministry of Environment and Natural Resources that the Lake Basin Development Authority's (LBDA) mall was going to be auctioned if that money was not paid. As a Committee, we could not find money in the Budget to pay. We then presented to Hon. Mutava what is popularly known as a wish list that if money was found anywhere, they should consider paying some of the pending bills of the LBDA. In fact, the justification we provided is that in the last two financial years, we have been paying pending bills for other regional authorities including the Ewaso Nyiro North Development Authority (ENNDA).

We said that if it is true that the LBDA mall would be auctioned because of a bank loan, they should consider it. It was in our wish list. How the Budget and Appropriations Committee would get the money was their responsibility. If they think that money will not be well spent and should stay at the National Treasury, that is not a bad idea. If the mall is auctioned, it will also include the building where this institution is housed.

Whereas I do not wish to oppose, it is wrong to say that this is not a priority. The caliber of staff that our Budget Office has, in my view, is more qualified than what the National Treasury has. It would be wrong for you to say that such an amendment would have come from people out of the system. If others are lobbying, then yes, that money should be withdrawn and left at the National Treasury. If they confirm that there are no issues that require them to lobby and there is no corruption, they should pay.

I really wanted to clarify that this matter did not come from anywhere else, but from the Ministry itself. In fact, it was the person in charge of regional authorities and this is not the first time this request has been made. In the last financial year, a similar request was made and the argument was that if we have done it for other agencies, let us also be fair to the LBDA and reduce their pending bills. Even though you refuse to pay, please, do not bring misinformation.

Hon. Members: On a point of order.

Hon. Speaker: Sorry Members, I will not take anything that is outside this. No! You are going to give unnecessary stories and we do not want them. I am not interested in those stories. I want a Member contributing to the proposed amendment by Hon. Mutava Musyimi. Those other things you can deal with the politics later. Let us first of all clear this.

Hon. Kimaru: On a point of order, Hon Speaker.

Hon. Speaker: Is it on this?

Hon. Kimaru: On what she has said.

Hon. Speaker: Not on what she has said. We are losing the essence of the proposal. If we entertain those things about the car park and others, we are not going to deal with this. You can go and deal with it in your Committee when you sit with her. I want a Member who is contributing to the proposal.

Hon. Members, you better learn the rules of debate. It is not everything that Members say and you do not agree that is a point of order. No! It is not. Points of order are not just because

you think something is not correct. Facts can be discussed when you are having tea. You want to make this appear like this is the way we are going to transact business. Hon. Langat.

Hon. Langat: Hon. Speaker, I support the amendment because I discussed it with the Chair of the Budget and Appropriations Committee based on the debate that transpired yesterday on the Floor of this House. I also want to say that the proposal came from my Committee to the Budget and Appropriations Committee. I know the Report was also in the Departmental Committee of Environment and Natural Resources. I hear the Leader of the Majority Party heckling behind me. In the new arrangement of the Government---

Hon. Speaker: As you know, Hon. Langat---

Hon. Langat: I withdraw that, Hon. Speaker.

Hon. Speaker: Things which are not said on record are just like what Hon. Amina Abdalla has called “wish lists” and things like those. Ignore what is being said behind you. Just deal with the facts.

Hon. Langat: Hon. Speaker, I stand guided. The proposal came to my Committee because in the current arrangement of regional authorities, it comes through the Ministry of Devolution and Planning. It is good to say the truth. As I informed the House yesterday, the LBDA took a loan, but the good thing is that the project is complete. The only problem is that the loan is overdue and if no action is taken, then the property will be auctioned.

We need to choose. I said yesterday that I only inform the House, but they can vote because everybody votes the way they want. A year ago, we came to this House and approved the payment of Kshs1 billion which was related to another regime because it was a contractual obligation which was accruing interest. The choice is whether we want to pay now or engage in circles. If we are paying Kshs4 billion today, we will pay Kshs5 billion next year.

The LBDA also serves Kisii and Kericho regions. So, somebody here should not say that some authority should not get money and we are giving money to so many other parastatals. So, it is good to be fair. The other sideshows being mentioned are meant to spoil Members’ minds, so that they oppose. In fact, the introduction of the National Government Constituencies Development Fund (NG-CDF) in the debate is meant to fuel Members to oppose the amendment just because they expect to get money. It is good to be fair and to stand with facts.

I support the amendment because we can argue it another day. I support the deletion of the whole of that amount. That means there will be no allocation to that Authority. The best thing is to put it to vote because it has cleared the amount. We will look at it another time. I am sad to see my Leader of the Majority Party opposing.

(Hon. A.B. Duale interjected)

Hon. Speaker: Leader of the Majority Party, because you had your bit, let him say his bit.

Hon. Langat: Hon. Speaker, let me say one final thing. I request you, Hon. Speaker, to help Committees. It is wrong for us to have proposals from Committees whose details have been discussed and then we come to the Floor of the House and we want to start from where the debate ended. I support the amendment and I request you to put it to vote, so that we finalise that matter.

Hon. A.B. Duale: On a point of order, Hon. Speaker.

Hon. Speaker: Leader of the Majority Party, what is your point of order?

Hon. A.B. Duale: Hon. Speaker, I want to make the record clear. I want the Chair of the Departmental Committee on Finance, Planning and Trade, the Chair of the Departmental Committee on Environment and Natural Resources and the Chair of the Budget and Appropriations Committee to listen to me.

When a matter comes to the plenary, we discuss it even in our individual capacity as Members of Parliament. The LBDA falls under the Departmental Committee on Environment and Natural Resources. They presented their Budget to the Departmental Committee on Environment and Natural Resources. The Committee, in its wisdom, looked at the resources and put that item under the wish list. The question that this House needs to ask is whether that amendment on LBDA came from the Departmental Committee on Environment and Natural Resources. It came from the Departmental Committee on Finance, Planning and Trade. Now that everybody wants to speak the truth, let me speak the truth. The originator of that amendment from the Departmental Committee on Finance, Planning and Trade is Hon. Oburu Odinga. If you allow me, I want to go to history. The contract of this mall---

Hon. Speaker: Leader of the Majority Party, if you name one Member adversely without a substantive Motion, you will be out of order.

Hon. A.B. Duale: I have withdrawn, Hon. Speaker. The fundamental question is that the Committee that oversees LBDA in this House is the Departmental Committee on Environment and Natural Resources, but if you read the Report of the Budget and Appropriations Committee, that reallocation is from the Departmental Committee on Finance, Planning and Trade. The Chair of the Budget and Appropriations Committee will agree with me.

Secondly, I have no interest. We have allocated money to all other authorities and Government Ministries, departments and agencies. I have no interest here. I am ready to go before the Committee on Privileges. It is a serious matter. All that we asked the Chair of the Budget and Appropriations Committee was to take this money back to the National Treasury. It is not good. I have no interest. I have nothing against the Chair of the Departmental Committee on Finance, Planning and Trade, the Chair of the Budget and Appropriations Committee and the Chair of the Departmental Committee on Environment and Natural Resources. The Departmental Committee on Environment and Natural Resources, in its wisdom, saw that they do not have money. How come the relevant Committee realised we do not have money, but the Departmental Committee on Finance, Planning and Trade decided to bring an amendment to give that money?

This question must be answered. I said that it is not the function of the Government to build roads. We want water, schools, electricity and roads in our constituencies. We should not just come here and pay contractors' pending bills. I have no interest and I support the Chair's amendment.

Hon. Speaker: Hon. Members, the Chair of the Departmental Committee on Finance, Planning and Trade who had proposed that amendment has said he is supporting the amendment by Hon. Mutava Musyimi.

(Hon. (Dr.) Nyikal interjected)

I want to be addressed only on the issue at hand. Let us have Hon. Nyikal. Go to the Dispatch Box. There are some technicalities.

Hon. (Dr.) Nyikal: Hon. Speaker, thank you for giving me the opportunity to address this matter. The issue that comes here is the integrity of the Committees of this House. An issue of this magnitude cannot pass through all these three Committees and then in the last day, we

have three consecutive amendments, which the three Committees do not agree. The questions that come here are:- Was there a building? Two, was there a loan? Three, was it known whether this needed to be paid? These issues should come before the Members of this House, so that we make decisions on the points that we know. As it is now, it is not clear to Members whether this building was completed or not, whether there was a loan or not, whether there was a Government contractual agreement on this building and whether, as it stands, there is still a pending bill that will eventually be paid. These are the issues that we need to know.

What we need to know is how this can come through the Departmental Committee on Finance, Planning and Trade and they have not gone into its details, more so, if it did not come through the National Treasury. It was then their duty to go back and get information from the National Treasury and ask for the source of the funds. Did they do that? It is when it has reached us in the House that now they are going back. The Chair of the Budget and Appropriations Committee was here yesterday with an amendment of reducing Kshs1.75 billion by Kshs708 million. Today, the Chair has come back with a further amendment saying he is deleting the whole thing. The Chair of the Budget and Appropriations Committee and the Chair of the Departmental Committee on Finance, Planning and Trade came to this House before they have that information clearly put before us.

(Applause)

Hon. Speaker, we need to ask clear questions from these Committees. We should ask them whether they are doing their job clearly. In this situation, I would find it difficult to vote either way because we have not been given clear information. I will first ask the question whether these matters have been brought before the Committees and discussed. I have been in the Budget and Appropriations Committee and I know how things are done. How did it reach this far? If anybody is to be investigated on this matter, it is the Budget and Appropriations Committee and the Departmental Committee on Finance, Planning and Trade.

Hon. Musyimi: On a point of information, Hon. Speaker.

Hon. Speaker: Hon. Mutava Musyimi, information is not gratis. Who do you want to give the information? He has not indicated he wants the information. Hon. Members, Hon. Nyikal said he is mixed up, but from what I heard from Hon. Amina Abdalla, her Committee gave a wish list. Then the Departmental Committee on Finance, Planning and Trade, because they deal with some aspects of regional authorities, if I understood the explanation by Hon. Langat correctly, happened on this wish list and then made the proposals. Notwithstanding all that, Hon. Benjamin Langat has said that he supports the amendment as proposed by the Chair of the Budget and Appropriations Committee. Reason seems to have prevailed. Let everybody go back and conduct thorough background check. Let the National Treasury involve all other players and do all that is required at the appropriate time. If it is established that, indeed, this House should sanction the payment of whatever money to the LBDA, then the House will be informed accordingly and make the right decision.

If we keep referring to the history of yesterday and those other days, we are not helping to carry forward the proposal to amend. It still remains part of the wish list from the Departmental Committee on Environment and Natural Resources, chaired by Hon. Amina Abdalla. This is not lost. Those wishes linger for some time. So, why can we not deal with the proposal which the Chair of the Departmental Committee on Finance, Planning and Trade also agrees to?

Hon. Speaker: Hon. Gichigi.

Hon. Gichigi: Thank you very much, Hon. Speaker. I rise to also support the further amendment proposed by the Chair of the Budget and Appropriations Committee. Everybody knows that budget-making is a live process and issues keep arising and changing.

It is not correct for somebody to say that this Parliament does not have the power to make a budget. If you look at the Constitution, it is possible for Parliament to do that. It is not its work to initiate the budget process. That belongs to the Executive, but the truth of the matter is that new issues can arise during the budget-making process within the precincts of Parliament, at the Committee or even on the Floor of the House. It is possible to incorporate those issues in the Budget and that will be the law. The truth of the matter is that it is possible to do that.

In this particular case, as a Member of the Budget and Appropriations Committee, I know that this year the Committee respected the wishes of the various Departmental Committees. The Departmental Committee on Environment and Natural Resources came and said that this money be found and given to LBDA. That is what is being called a wish list here. Another Committee came and said there is money. There was no problem with the Budget and Appropriations Committee accepting the proposal by the Departmental Committee on Finance, Planning and Trade to allocate that money.

The issue is if information was obviously available that this money was not required or ought not to have been given initially, then the Budget and Appropriations Committee ought to have dealt with that issue at that juncture. If this information comes before we pass the Report of the Budget and Appropriations Committee, this is the right time to act on it. So, I support what the Chair has indicated. Indeed, if there is something fishy in the whole process, we ought to deal with it at other levels, not necessarily at this juncture.

I support.

Hon. Speaker: Do I see Hon. Ababu as desiring to contribute on this amendment? Please, Hon. Members, I want to put the Question on this matter. You can then discuss the Motion as amended or you reject the amendment.

Hon. Ababu: Hon. Speaker, this is a law-making House. In law-making, we have the power to make, unmake and remake any law. In that respect, I am surprised that we would be averse to either a Committee of this House or the House sitting in plenary, as we are seated, to attempt to remake, unmake or revise any decision that has been previously made.

As a Member of the Budget and Appropriations Committee, I know that this proposal came to the Committee, it was properly canvassed and a decision was made to bring this amendment to the House. If at all there was any impropriety, it has certainly not come to the attention of the Committee.

What worries me is the tendency to casually cast aspersions on the Floor of this House without any regard to the rules of this House, which also raises the bar in terms of confirming or authenticating whatever allegations one makes. For instance, I know the work that the LBDA does in a region that includes the constituency that I represent in this House. I know the work they do. I experience the work they do and I support it. If a Member of this House casts aspersions on a State agency such as LBDA, it would only be fair to that State agency that proper evidence is tabled in the House that would then support any such allegation. We are living in very perilous times where it is very easy to cause damage to the integrity and public standing of institutions that we have created. We casually cast aspersions and drop allegations without any attempt to confirm those allegations.

In fact, I would plead with you that because the allegation made by the Leader of the Majority Party, the Member for Garissa Township, cast aspersion to an officer of this State agency, and because the matter is now on record and we are a House of record, it would only be fair that the Leader of the Majority Party be required on the same record that he has placed to tender evidence in that respect. The Standing Orders are very clear that if you make any allegation, then you have the responsibility to table such evidence as required. It would be important for a name and the circumstances to be given. Otherwise, if every time we meet people at the parking lot of this House and anything they mention to us is read in a certain light, it would be very perilous.

We also need to appreciate that budgeting involves a lot of lobbying at all levels. Even those of us who have had the privilege to preside over the NGCDF in our constituencies, we experience lobbying at that level. A school will lobby you because they want some new dormitory or a bus through the Fund. So, lobbying is part of this process of allocating public resources. If you were to meet a public officer who attempts to interest you to consider favourably a budget presented for that particular State agency, I think it would be very unfair in the absence of solid evidence or any authenticated information, to cast such aspersions.

Therefore, I am asking with respect that the Leader of the Majority Party clears the record in terms of confirming on record the source of this information. Again, the aspersion cast is not just on the individual. It extends to the whole institution.

Let me conclude by pleading to honourable colleagues that let us not advance this habit of attacking and destroying the integrity of the institutions we have created. If you have a problem with an individual, deal with the individual and do not damage a whole institution at the end of the day. I support this amendment in the context that the House has the power to make, remake and unmake any proposal as the House sees fit. We are Hammurabi the law giver and we can give the law, take the law, unmake the law, change the law and revise the law. That is the power that the Constitution has granted us.

Hon. Speaker: Of course, the latter bit is a restatement of the provisions of Article 94(5) of the Constitution that no person or authority has power to make provisions having the force of law apart from Parliament, not the court or the Executive and not even fellows in the village. What Hon. Namwamba has said is the truth. You can make and unmake the law. The court can fault what you have made, but until you unmake, it is the law. I believe it is understood across the board. Well spoken, Hon. Ababu Namwamba.

Hon. Members, so that we can move to the substance of this matter, I want to put the Question on the amendment to the further amendment, so that when we dispose of this, then we will go to the further amendment. We never even put the Question. We merely proposed and debate commenced.

*(Question of the first part of the amendment,
that the words to be left out be left out,
put and agreed to)*

*(Question of the second part of the amendment,
that the words to be inserted in place thereof be inserted,
put and agreed to)*

(Debate on the further amendment resumed)

Hon. Members, we are now on the debate on the further amendment as amended by Hon. Musyimi which has been carried. This is the further amendment on the Order Paper as amended by Hon. Mutava Musyimi, which has been carried in the manner that was circulated. Anybody is at liberty to contribute including Hon. Ayub Savula.

Hon. Angatia: Thank you, Hon. Speaker for giving me the opportunity to discuss this matter. I support the further amendment to this Motion. I want to be on record that yesterday, when I said that I smell a rat regarding this issue, I suggested that this issue should be investigated further because it seems to be grounded in mystery including a lot of cartels. That is corruption. Today morning, I was approached by the Director of the LBDA who comes from western Kenya to talk over the matter. I took him to the Leader of the Majority Party, Hon. A.B. Duale, but we declined to discuss the matter because it must be discussed before the whole House.

First, when you are taking a loan from a bank for construction purposes, you take the Bill of Quantities (BQs) to the bank. You are funded depending on the BQs that you present to the bank. Secondly, when the bank is giving you the money, they evaluate the cost of the project and they fully fund the project. How did the bank charge a document/title deed belonging to LBDA, gave the money and yet the contractor is demanding more money on the same project? That is corruption.

I want to state that this project was muted when the Minister for Regional Development was Hon. Fred Gumo, the Permanent Secretary was Hon. (Eng.) Rege and the contractor, a Chinese is based at Finance House here in Nairobi. How did the documents or the requests for funding, after having gone through the Departmental Committee on Environment and Natural Resources---

Hon. Speaker: Hon. Savula, we are over with that. You are flogging a dead horse. The rules of relevance to the Motion must apply so that the issue of who was the engineer, the PS or the Minister does not matter. All those as far as they relate to something which has already been disposed of are irrelevant. If you continue in irrelevancies, you will be out of order. If you are out of order, you know the consequences.

Hon. Angatia: I stand guided, Hon. Speaker. I support the Motion as amended. I request that after investigating this matter properly, it can be resolved through a Supplementary Budget.

Hon. Speaker: Hon. Members, we are now debating the further amendments and when you finish with them, you will go back after the Question on the further amendment as amended is put. I should put the Question because I can see the need is to discuss the Motion. I will put the Question for the adoption of the further amendment as amended.

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

(Question of the Motion as amended proposed)

Hon. Speaker: The debate continues on the Motion as further amended for adoption of the Report of the Budget Estimates for the 2016/2017 Financial Year. Member for Gatanga, Hon. Kimani Njuguna.

Hon. H. K. Njuguna: Thank you, Hon. Speaker. I have keenly listened to the debate on the Budget this afternoon and I must admit that we must all appreciate that budget-making is a dynamic process. That is the way we should perceive it.

[The Speaker (Hon. Muturi) left the Chair]

*[The Temporary Deputy Speaker
(Hon. (Ms.) Shebesh) took the Chair]*

I support the Budget as presented and make observations. I appreciate the fact that the 2016/2016 Financial Year Budget has a lot of support in the agriculture sector. For example, there is removal of 4 per cent Development Levy on sugar, removal of a similar levy in the tea sector and 4.9 per cent subsidy on seeds in the agriculture sector.

I have some observations to make. For a long time, a section of the agriculture sector has been ailing. In the 1970s, the coffee industry was celebrated because of the coffee boom. At the moment, the sector is in the Intensive Care Unit (ICU) in terms of productivity and support to our economy. The sugar industry supports over one million people. There are ups and downs in that sector. The tea sector has been ailing. Some of us are looking forward to Hon. Kang'ata's Motion in which he is proposing to come up with minimum guaranteed returns. The fact that the Government is supporting this sector by removing some levies is laudable. We need to support it. I support this sector because my constituents depend on tea and coffee. We need to go out of our way to support this sector that is affected by vagaries of weather and other issues. It is good to do inward looking, so that we can support Kenyan produce. I appreciate the agriculture sector and we should do everything possible to support it.

The other thing I would like to mention is support towards infrastructure. This Budget has about Kshs176 billion committed to the road sector. I take cognisance of the 10,000 kilometres annuity programme. At least, every constituency in this country has a tarmac road. Every county in this country is benefitting more than any other time in the history of this country. Infrastructure is key to economic growth and development. This is laudable. We are asking whether this Budget should be increased because these common infrastructural services are key to economic growth and development.

There is also the area of Information and Communication Technology (ICT). If we want to achieve Vision 2030, creativity, innovation and invention play a key part. ICT is central in the development of entrepreneurship. A lot of resources have been committed to this sector. The fact that the Government recognises the role of ICT in this country is laudable.

I want to mention something about the expanded tax base in this country. The Kenya Revenue Authority (KRA) was supposed to raise Kshs1.2 trillion in the 2015/2016 Financial Year, but they fell short by about Kshs300 billion. They are supposed to raise Kshs1.5 trillion in the 2016/2017 Financial Year. We should not lose sight of the fact that they had fallen short of Kshs300 billion. We have raised the threshold to Kshs1.5 trillion. One of the ways of raising this revenue is to increase the tax base to encompass the informal sector. How will we cover the informal sector to make sure that we raise this revenue? Most of the activities in the informal sector go unrecorded. We know that Small and Micro Enterprises (SME) contribute about 20 per cent of the Gross Domestic Product (GDP) and 75 per cent of the total employment in this

country. A lot of revenue is generated by this sector, but it is very difficult to bring the sector into the tax net.

For example, the amount of money which is transacted daily by *Mpesa* is not recorded. That tells us the volume of money in the informal sector. I support this initiative. My only worry is how we will net the informal sector. It is an important initiative because only two million Kenyans pay taxes. About eight million Kenyans evade taxes. If we net the informal sector, we will raise revenue and make sure that taxation levels for the currently two million taxpayers go down.

With those few remarks, I support the Motion

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): I give the Floor to Hon. George Omondi, the Member for Alego Usonga.

Hon. G.W. Omondi: Thank you, Hon. Temporary Deputy Speaker. I stand to contribute on the 2016/2017 Budget proposal as further amended. I want to restrain myself to a few areas. Hon. Gumbo brought up the issue of non-compliance with the Budget Policy Statement yesterday. The Chairman of the Budget and Appropriations Committee put a very spirited fight and defence against what Hon. Gumbo was saying. It was true on the basis that no law was broken. However, when you look at the Report of the Budget and Appropriations Committee, you will see that they agree with what Hon. Gumbo was saying that in making the 2016/2017 Budget, the Budget Policy Statement was not adhered to.

I am looking at the Report on Pages 6, 8 and 9. The Budget and Appropriations Committee has criticised the non-conformance with the Budget Policy Statement. In any budget-making process, the Budget Policy Statement informs the making of the Budget. So, if this Budget will be valid, it leaves a lot of questions to be answered. The proof of this problem seems to have been evidenced by what has been going on. There have been amendments and further amendments. This means this Budget was not looked at. The Liaison Committee was looking at this Budget. It was the same Committee to which Ministries presented their figures. So, it was very difficult for them when they were sitting at the Budget and Appropriations Committee to look at the Budget.

Let me point out a few areas which make this Budget very ambitious. It looks at the infrastructure, agriculture, promotion of youth welfare, education, health, social protection and security. All these areas are to be financed through the revenue that we expect to collect. However, looking at the Budget figures, it is my contention that the revenues have been overstated, partly because of basing those revenue projections on very ambitious economic growth which may not be achieved. We have general elections next year. The Jubilee Government wants to achieve as much as possible. However, that may not be the case because revenue collection over the years has been at a certain percentage. I do not know why the Budget and Appropriations Committee did not restrict itself to these percentages when it was making the Budget.

There are sticking problems in the Budget apart from what we have heard here. There are some funds which are being transferred to various Government Ministries and agencies. These have not been itemised. Maybe there has not been a lot of transparency in the budget-making process. If these funds are put there without being itemised, most likely, the National Treasury may go back and play around with it. This raises many questions.

The Budget for the National Youth Service has been reduced from Kshs25 billion to Kshs17 billion. That is Kshs8 billion reduction, but the targets remain the same. The question one asks is whether the original Estimates were overpriced or these are just simple mistakes.

On Page Six of the Budget and Appropriations Committee Report, the Committee has criticised the lack of transparency in the budget-making process. When we look at the sectors that have been touched, projection of tourist arrivals seems to be overestimated. That may not be achieved. The Budget and Appropriations Committee seems to be an extension of the National Treasury. There is no proper way of looking at figures or what was brought and insisting that the National Treasury must rewrite them. The Budget and Appropriations Committee has accepted, although they have criticised what has happened, and they have allowed the National Treasury Budget to get its way.

In making this Budget, it is important that the National Treasury takes into account absorption capacity. Over the years, we have talked about low absorption, but when we go to the figures that we are going to borrow to carry out development projects, it seems we are over-borrowing. We may not use all that money. Why do we over-borrow if we are not going to absorb all the money? When we borrow, we should apply the money to development projects, but we should look at the returns we are getting from the development projects. It does not come out clearly whether what we will get out of these investments will pay back the loans with interest.

Another area that the Budget and Appropriations Committee has criticised is where the National Treasury seems to be telling us all the time that our debt level is sustainable. They seem to have based this purely on the debt levels against the GDP forgetting the revenue which is collected to service this debt. To that extent, the debt sustainability of our economy should be looked at from the debt to GDP plus the revenue service to this debt.

What has been shown here is that we are borrowing at Kshs410 billion and the figure we have used over the period is about Kshs195 billion giving an over-borrowing of Kshs215 billion.

With those remarks I support, but with those things taken into account.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): I now give the Floor to Hon. Kimani Ichung'wah, Member for Kikuyu.

Hon. Ichung'wah: Thank you, Hon. Temporary Deputy Speaker. I support the amendments. It is important to note what has been canvassed by other Members who have spoken ahead of me more to do with regional authorities particularly the issue of the LBDA. As one Member has alluded, by the time the LBDA decided to invest in a shopping mall, they must have done their due diligence. They ought to have looked at the viability of that project. By the time they took a loan to invest in a mall, they must have looked at the viability and ensured that the mall will repay the loan. Therefore, for someone to bring an amendment late in the day to purport to safeguard public funds from getting lost through an auction of the mall is rather absurd for anybody to take this House for a ride like that.

The LBDA ought to be running on its own. I was, like many others, strongly opposed to having any money allocated to this authority on the pretext that we are trying to save public funds. In fact, what we should do, as a House, is to ensure that those who were in charge of the authority at the time are found culpable for having misdirected the authority to invest in a project which clearly was not viable if it is not able to repay the loan for itself.

There is another thing that seems very absurd to me. Ordinarily in the due process of business of this House, such a matter would go to the Departmental Committee that oversees that authority, as was mentioned by the Leader of the Majority Party. The Chair of the Departmental Committee on Environment and Natural Resources confirmed that they had not allocated funds to that authority. It is absurd. Under normal circumstances and due process, matters move from Departmental Committees direct to the Budget and Appropriations Committee. But in this case,

you find a matter moving differently. I agree with what Hon. Nyikal said that it puts into question the integrity of our Departmental Committees. We find a matter moving from the Departmental Committee that ought to oversee this authority to the Departmental Committee on Finance, Planning and Trade. It is unfortunate that the Chair of Departmental Committee on Finance, Planning and Trade has moved out. It is pretentious to say that the Departmental Committee on Finance, Planning and Trade has any role in regional authorities.

In fact, if my memory serves me right, regional authorities have since been moved to the Ministry of Devolution and Planning under the Cabinet Secretary Hon. Kiunjuri. The Departmental Committee on Finance, Planning and Trade had absolutely no business meddling in the affairs of what ought to be under the Departmental Committee on Environment and Natural Resources.

Hon. Mulu: On a point of order.

Hon. Ichung'wah: Hon. Temporary Deputy Speaker, I do not know what is out of order. Hon Makali is a Member of the Departmental Committee.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Hon. Kimani Ichung'wah, it is not up to you to decide what is in order or out of order. Hon. Makali Mulu, what is your point of order?

Hon. Mulu: Hon. Temporary Deputy Speaker, with all due respect to my good friend, Hon. Ichung'wah, it is important to note that the Ministry of Devolution and Planning is overseen by the Departmental Committee on Finance, Planning and Trade. So, they are right when they talk about these things. That is where devolution falls. If regional authorities are under the Ministry of Devolution and Planning, it comes under that.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Hon. Ichung'wah.

Hon. Ichung'wah: Thank you, Temporary Deputy Speaker. I thank Hon. Makali Mulu for that point of information. In that respect, if the Departmental Committee on Environment and Natural Resources oversees planning, they have reason to, but it is important to note that by the time we started the Budget process, because that is a very recent change, that matter was squarely under the Departmental Committee on Environment and Natural Resources.

The most important fact is that we are taking public funds and investing them in a business venture. A shopping mall is a business venture. It would be immoral for this House to expend more public funds to pay for something that ought to have been paid for by the authority in the first place. It was a commercial venture and we ought to have looked at the viability. I would beseech the Departmental Committee on Finance, Planning and Trade and the National Treasury that as they consider allocating money to these regional authorities to look at their viability.

I have also seen proposals being made to allocate money to the Tourism Development Fund ostensibly for on-lending to institutions under the Ministry of Tourism and those who want to invest in tourism. You need to look at the Tourism Development Fund and all the bodies around the Ministry of Tourism and scrutinise the role they play, not just in funding those who are investing in tourism, but also in the promotion and marketing of tourism. The Tourism Development Fund, which was previously the Catering Trustees Levy Fund, is embroiled in issues of misappropriation of funds. The former Chief Executive Officer (CEO) of this organisation was suspended on allegations of corruption just before the end of last year.

There are issues that are still under scrutiny by the Public Investments Committee (PIC) relating to Ronald Ngala Utalii College at the Coast, which has been allocated a further Kshs200 million. Those issues are still under scrutiny by this House. Also under scrutiny are issues

touching on procurement processes and how well we are utilising the funds that are being allocated to these parastatals and other Government agencies.

Therefore, I beseech Members of this House, even as we look at all these issues to do with allocation of funds, that we truly play our role as we oversee the implementation of those projects. We need to oversee how well we utilise this money and whether the money that we allocate to these bodies is used in viable projects that will derive benefits for the people of this great country.

With that, I support the amendments.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): I now give the Floor to the Member for Rarieda, Hon. Nicholas Gumbo.

Hon. (Eng.) Gumbo: Thank you, Hon. Temporary Deputy Speaker for the opportunity to discuss this Motion.

I start by noting the obvious. Our Budget Estimates are the largest in East Africa. In fact, looking at the Budget Estimates of the sister states that were also read at the same time, our Budget is bigger than that of Uganda and Tanzania combined. If you were to put our Budget in simplistic terms or disburse every coin of that Budget, it will guarantee every Kenyan at least Kshs7,000 a month. That is how big it is. There is absolutely nothing wrong with that. What is wrong is that a huge portion of that Budget does not serve the people of Kenya. I sit on the Public Accounts Committee (PAC) and I know enough to say authoritatively that the biggest problem we have in our country is not the size of our Budget, but what we do with that Budget. Looking at the proposals that have been tabled, you have to question whether we want a Budget that will engineer growth in this country.

The Cabinet Secretary, when presenting the Budget, said that it is designed to give prosperity to the people of Kenya. That is a good aspiration because ultimately we are budgeting with money that we have got from the people of Kenya. If it is designed to give them a better life, then we are just using the mechanism of Government to guarantee a better life for our people. However, the devil is in the details. I am sure most of the people who have spoken have not looked into the details in the Printed Estimates. I wish they could. I have just picked a few areas that are of real concern to me. This year, the Deputy President went on record and said that the issue of Internally Displaced Persons (IDPs) was over and done with. However, when you look at the Printed Estimates, there is a figure of Kshs6 billion allocated to IDPs. Why then does the Government seem to be speaking out of both sides of its mouth? What is the IDP issue? The IDP issue has been with us since the beginning of 2008. Almost every year, every Government that has been in power has given us an assurance that the IDP issue will be over and done with in that particular year. Could somebody tell us what the Kshs6 billion allocated for IDPs is for? At such a high level, the Deputy President could never have said the IDP issue is over and done with if it was not. What is the Kshs6 billion for? Could someone be benefitting from the IDP issue? If that is the case, why would this House be the institution to approve what is not necessarily a benefit to the people of Kenya?

The National Treasury has been allocated Kshs36 billion under the Public Financial Management Programme. However, a close scrutiny of the Kshs36 billion reveals that a lot of that money is going into the Integrated Financial Management Information System (IFMIS). An accumulation of all the money going into IFMIS runs into several billions of shillings. The Budget proposes to rehabilitate and expand Herufi House Data Centre for IFMIS at Kshs420 million. Operation of a Disaster Recovery Centre has been allocated Kshs175 million. Upgrading integration of Pension Management Information System within IFMIS has been allocated

Kshs263 million. Renewal of licenses has been allocated Kshs400 million. Development and implementation of IFMIS Academy and Oracle SOA Suite has been allocated Kshs200 million. Installation and operationalisation of a Data Recovery Government Centre has been allocated Kshs456 million. I could go on and on. When you cumulatively add those figures, they run into billions of shillings. What was the intention of IFMIS? The verdict out there is that IFMIS, as we have it today, is neither integrated nor can it manage anything. We still keep on losing money. You saw the National Youth Service (NYS) scandal. It is currently before my Committee. The pilferages that went on were enormous. Most people do not know that IFMIS has been in existence for 17 years. If we were sincere about the allocations to IFMIS, why has no one conducted a value-for-money audit to tell the people of Kenya that this is what has been allocated to IFMIS, this is what the people of Kenya have got and this is where we would have been if we did not have IFMIS. Why are we not conducting a value-for-money audit?

As a House, even as we look at these Estimates, I am a worried person. Look at the debt levels that have been proposed and the debt financing of this Budget. We are proposing to finance this Budget by about Kshs700 billion in debts. Kshs700 in debt is roughly a third of the total Estimates that have been tabled before this House. In fact, the debt proposal to finance the Budget deficit is about Kshs800 billion. We could be told that debt to Gross Domestic Product (GDP) ratio is okay. That may be fine. However, people take up debt to achieve certain things. I have looked at the Cabinet Secretary's statement. He did not come out clearly. What are we doing to deal with the endemic wastages in Government? You have seen the reports that come out. Go to any Government office today. There are Government offices where people are given prepaid telephone lines, are still given telephone allowances and are given flowers, which they do not even appreciate. What are we doing to deal with the wastages in this Government?

The reason as to why Parliament exists is to give an assurance to the people we represent that every coin of the tax they pay goes towards improving their lives. I come from a peasant background, which may be informing my thinking. I believe we would not need a coin in debt if we were prudent in the way we manage the taxes we collect from the people of Kenya. There is so much wastage in this country. We must, consciously, as a House, speak to how we are going to deal with the wastages. Let us not be overaspirational in the way we do things. While aspiring is good, it is not good enough on its own. I have looked at the programmes that the CS has proposed to improve police welfare. As he does that, we are looking at a project called "Kibish" in my Committee, which has cost nearly Kshs3 billion. How many policemen live there? They are less than 10. Do you spend Kshs3 billion to house 10 policemen? We are not being told how we improve security through improving the morale of police officers. Within the institution of Parliament, there are police officers who have worked for 40 years, but they have remained in the rank of Constable. These are the policy issues that we need to look at, so that we can come up with a Budget that addresses the aspirations of Kenyans.

Hon. Temporary Deputy Speaker, I cannot support this Motion. Only God knows where some of us will be after August 2017, but as we go forward, the people of Kenya will be happier if they knew that their money is being used well.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Thank you Hon. Member. I now give the Floor to the Member for Kiharu, Hon. Kang'ata.

Hon. Kang'ata: Thank you, Hon. Temporary Deputy Speaker. While I rise to support the Budget Statement, allow me to raise some issues. One regards the much money being invested in the Military in this country. So much money has been allocated to the State Department for the Ministry of Defence. I refer the House to Code 1041. The Recurrent

Expenditure is about Kshs98 billion. The Development Expenditure is about Kshs45 billion. This is a lot of money for a country like Kenya.

We have several societies in this world which do not have a standing army yet they live comfortably. I refer you to Costa Rica, Grenada, Iceland, several small islands and even Panama which is a fairly big country. Those countries do not have armies. Some of the armies were abolished through a constitutional provision. I am not proposing that we abolish our military in any way. If we want our society to develop, we need to spend more of our resources on education, health and infrastructure as opposed to expanding the military by using so much money there.

There is a document that was tabled by my colleague, Hon. (Eng.) Gumbo. It regards queries of the Auditor-General on various Ministries. If my memory serves me correct, there was one amounting to Kshs73 billion on how the Ministry of Defence applied its resources. A sum of Kshs73 billion is a lot of money. That justifies my argument that we ought not to be putting billions of shillings in defence. I am aware that we have a problem with our neighbours and that the Kenyan Military is currently in Somalia. We need to bolster our defence systems. That makes sense, but our war with the insurgents in Somalia started only the other day. I doubt as to whether that can justify such a heavy investment in the military. Even if it does, that is also wrong. The problem of Somalia is not of Kenya only. The reason why our military went to Somalia was to secure the international waters. Trade was being disrupted. It was trade for each and every person. The Somalia burden ought not to be of Kenya, but of the international community. I would have proposed Kenya to move a Motion where the United Nations (UN) takes up the Somalia issue through the United Nations Security Council (UNSC). It should be taken as an issue threatening global peace. Therefore, we would seek support from the UN. Carrying that burden makes us appropriate so much money to the Ministry of Defence. If the Chairman of the Budget and Appropriations Committee does not mind, he should chop some money out of this Budget and take it to the Ministry of Education, Science and Technology. It would have been better if we could provide free food to all pupils in Kenya.

I am aware that we have money allocated to that programme in this Budget. To the best of my knowledge, it is about Kshs1 billion. According to a report that was tabled before this House, I petitioned the Departmental Committee on Education, Research and Technology. I was asking the Cabinet Secretary (CS) in charge of education to set aside some money for the programme of free food for all primary school pupils in the country. That Report was tabled before this House. The Cabinet Secretary (CS) said he required Kshs17 billion a year to provide food to all pupils in the country. In a Budget of Kshs2.26 trillion, Kshs17 billion is very little money. If that money was provided, it would enable all our children to go to school. It would have enabled the poor children who are not competing with the rich children at the same level to do so. It would also have enabled resources to trickle down to the grassroots because tenders would have been given to locals to, for instance, construct infrastructure for a primary school in Yatta, Kiharu, Karachuonyo or North Eastern. That way, the locals will get some money. Contracts to provide food would have been given to women and the youth to provide food to our children. That is the best way of ensuring that our children benefit.

We have appropriated almost Kshs300 billion to the Ministry of Education, Science and Technology Budget. That is very commendable on the face of it. It is said that Kenya is No.7 in the whole world in terms of countries that appropriate a higher amount of their Budget money to education, but you will ask yourself where that money goes when you look at it closely. It goes to pay salaries. Very little of it goes to the development of our education.

This means there is nothing trickling down to the little children in our public schools. As a result of failure to give free food that our children need, schools have introduced fees for lunch programmes, which are becoming a barrier to universal provision of primary school education. A responsible Government would have provided a capitation of food for all pupils to cater for that. I was perturbed when I took that idea to the Budget and Appropriations Committee and it was rejected. I am taking this opportunity to plead with the Chairman of the Budget and Appropriations Committee to rush to bring an amendment to this Budget, so that we can set aside some funds to provide some support to our little children in primary schools. A sum of Kshs17 billion is very little in a Budget of over Kshs2 trillion.

If we do that, it is going to affect and reach all the schools in this country. If you look at the various international instruments that Kenya has ratified, like the United Nation Covenant on Economic and Political Rights Convention, you will find that one of the provisions contained there is the right to food. Again, in our Constitution, we also have what we call economic rights and one of them is the right to food.

Other countries have what we call welfare programmes to effectuate that right. Under these programmes, they have cash transfers to poor people. If one is an adult, he or she goes to centres where he or she is given some money and vouchers to support himself or herself. This is to ensure that such people, at least, have food. I am not proposing that in Kenya we establish a welfare system, because we are still a poor country. We need to put more resources in more productive sectors of this country.

It is a constitutional provision that every person is entitled to food. Probably, we can start that long journey of ensuring that each person is supported by the State by ensuring that they have food. We should start by providing some food to children in schools. That is why my idea of providing free food to all schools ought to have been supported, so that at least we start the long journey of ensuring that each person in this country has food on the table.

In any event these are school going children and, therefore, they are doing something that is productive to the society. With that I support but I urge the Chair---

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Thank you, Hon. Member. I now give the Floor to the Member for Wajir South, Hon. Abdullahi Diriye.

Hon. Mohamed Diriye: Thank you, Hon. Temporary Deputy Speaker. This Budget is very unique. It means a lot to many of us, as a country and in particular people from marginalised counties. It has the Equalisation Fund. For the first time, money has been set aside by the Cabinet Secretary, National Treasury to cater for those areas.

Although we have issues on the way the proposed projects have been identified, there was no appropriate consultation and concentration in Parliament for Members who come from areas identified to benefit from the Equalisation Fund. This is something we have raised with the Ministry and hope it will be addressed.

However, I am congratulating the Cabinet Secretary and the Government for making this a reality. It will do a lot in areas that have been neglected for a long time. It is something that is enshrined in our Constitution. If we implement and combine it with the efforts of the various county governments, the development gaps and disparities across the country will be bridged.

Secondly, I note that the Budget has allocated a lot of funds to infrastructure ranging from Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor to the Standard Gauge Railway (SGR) and various roads. This is something that is very commendable. As we all know in the previous regime of the retired President Kibaki, a lot was achieved in terms of road infrastructure. The whole country was opened including rural areas and villages in remote areas.

You cannot imagine how we opened the country. It is very commendable and something we laud the Cabinet Secretary for allocating good money.

The trunk road from Garissa to Wajir and Mandera is not yet tarmacked. We appreciate the President's visit to northern Kenya on 19th May, 2016. He promised that the North Eastern road will become an international highway all the way to Ethiopia and Somalia. We hope the Government tarmacks this road because it will open up that area. It will improve the economy of the entire northern Kenya. If the Government tarmacks this road, there will be economic development and businesses will be started, now that there are county governments in place. The population is very entrepreneurial and will do the rest by themselves.

We hope before this Government's term is over, all roads will be tarmacked just like it has started across the country and this is laudable. In terms of security, we have seen that the Budget has allocated a good amount of money to the security sector. A lot has been achieved since Hon. Nkaissery was appointed a Cabinet Secretary and the former Provincial Commissioner, Mr. Saleh was appointed North Eastern Regional Coordinator.

We congratulate the President for those appointments because there are changes. For the last 10 or 11 months the sides of the country bordering Somalia have been very stable with no security challenges and *Al Shabaab* attacks. As we continue putting efforts to improve security, we really support the money allocated to this sector.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Hon. Member, give me a minute please. Hon. ole Ntutu you have a point of order? If you want to contribute, you are already on the queue.

Proceed, Hon. Diriye.

Hon. Mohamed Diriye: Hon. Temporary Deputy Speaker, these efforts by the Government to allocate increased budget to the security sector is something laudable. Security has improved a lot since April, 2015 after the unfortunate incident of the Garissa University massacre, the quarry attack in Mandera and the bus attack. A lot of progress has been made both by the local community, the leadership of that area and even the Government.

We hope that the money being allocated to the security sector will continue to improve it so that we build on these gains and combine that with our forces in Somalia. We support the Kenya Defence Forces (KDF) efforts in Somalia. We hope that all these efforts, in the long run, will lead to the strengthening of the security and improve the livelihoods of Kenyans. These are things that cannot be taken for granted, honestly speaking.

In terms of development, it is commendable that there is electricity supply to schools by the Rural Electrification Authority (REA). For the first time, Garissa has been connected to the national grid. We hope this will be extended to other areas. Honestly speaking, there are some areas that were not feeling as part of this country 55 years after Independence. With those developments, this country will solve many issues including the current debate on lack of cohesiveness and inclusivity and the problems of hate speech. If the Government continues with these efforts of making sure that development projects are initiated everywhere; that electricity is connected, roads are tarmacked and schools have solar, it will make Kenyans live together. This is because they will feel included because they are benefiting from the resources of this country.

The other problem is corruption which is still rampant in this country. We would like to see this money being used prudently. Corruption and wastage should be minimised and the Ethics and Anti-Corruption Commission (EACC) must do its job appropriately. This is because most of the time, as Members of Parliament, we have seen that the NGCDF) has done many projects and yet it is a very minute amount of about Kshs100 million per constituency. This huge

amount of money being invested and allocated by the Government must also be used prudently because if we do not use funds properly to change the lives of *wananchi* that it is meant for, then we will have lost the aim why this money was allocated.

We can imagine the current unemployment. Youth suffer due to rampant unemployment. That is one area we are actually raising alarm to the Government because it is not doing enough. The Government is not doing enough in terms of dealing with youth unemployment and creating favourable business opportunities by increasing access to loans. The Government has not done much. In my constituency, something like access to Islamic-compliant loans has not yet been realised. Some youth have very good ideas but they cannot access existing loan facilities because it is not compliant with *Sharia*.

The other aspect I would like to touch on is water. As much as water is a devolved function, we wish the Government, through the national bodies like the National Water Conservation and Management Authority, the Kenya Pipeline Corporation (KPC) and the water boards to undertake some interventions that cannot be achieved by county governments. The national Government needs to allocate money to those big projects traversing counties.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Thank you, Hon. Member. I now give the Floor to the Member for Narok West, Hon. ole Ntutu.

Hon. ole Ntutu: Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to contribute on this very important budget-making process. At the outset, I support this Report.

First of all, there has been a lot of confusion on the Budget for this year because we have not had time, as the Budget and Appropriations Committee, to really look at every item. You all remember this because there was a time when the Liaison Committee was the one that did a lot of work. In fact, the many amendments are as a result of the Budget and Appropriations Committee not getting a lot of time to look at every ministry. Therefore, next time we really need to give the Budget and Appropriations Committee time to look at the Budget because it is a very important item in this House.

We have also noted with a lot of concern that more often than not, the National Treasury has put ceilings to departments and ministries such that it is very hard to change. Therefore, this House becomes a rubber stamp. We just come here, sit and rubber stamp many things that we cannot do anything about. Even when you try to change, it brings issues that you have to agree with the ministry. This has really become a problem.

I do not want to talk about many items because most of my colleagues have spoken on various items and ministries. However, there is one item I am interested in. This is the issue of the Equalisation Fund. As it has been well put by my good colleague, the Equalisation Fund is very important for us who come from marginalised areas. If you look at the Second Schedule, you will see that the Ministry has allocated about Kshs12.4 billion to 14 counties to implement Article 204 of the Constitution, which talks about the Equalisation Fund.

We are very happy that finally, the National Treasury has agreed to release these funds to these very needy and marginalised areas in this country. I want to go on record that the 14 counties have waited for too long. It is time that we do not beat about the bush. We know where the money is supposed to go. We have consulted enough as Members of Parliament from those 14 counties. We have divided that money because it is there. We do not have any reason to deny these counties funds. We urge the National Treasury to do its part because we have done our part. My colleagues are not here but when we come next week, we need to see that enactment of

the Appropriations Bill, 2016 should not go through this House without this money being included. This is very important.

All Kenyans know that parts of North Eastern and parts of Maasailand and all these counties mentioned here like Garissa, Isiolo, Kilifi, Kwale, Lamu, Mandera, Marsabit, Narok, Samburu, Tana River, Turkana, Taita Taveta, Wajir and West Pokot have waited for a long time. We do not want to hear anything from the ministry anymore. That money has been allocated and it is within our Constitution. We want to be like anybody else in this country. Certain places in this country do not have clean water and roads. The roads that are there are those used by cows and sheep. Health facilities in those areas are in a poor state. This money will go a long way in developing those areas. This is not small money. If this money is managed properly, it will go a long way in uplifting the standards of living of our people. All I want to say on this issue is that we have already consulted enough. We have given the National Treasury everything they have requested us and we do not want any more delay. All we need is this money to go to the ground immediately this year. I finish with that Equalisation Fund by saying that we urge Mr. Rotich to do his part.

The other issue I wanted to talk about is the Independent Electoral and Boundaries Commission (IEBC). There has been a lot of talk about the IEBC commissioners. I thank the Government, particularly the National Treasury, for allocating about Kshs19.3 billion to the IEBC. This money is meant for preparation and management of electoral processes. I urge our colleagues who are doing the negotiations on how to remove the IEBC commissioners to do it fast so that the new commissioners can come in and do their part because preparation for a general election is not an easy thing that you can do within six months. Money has been provided, but where are the officers needed to start this work? It is very important that they settle down and do their job.

If you look at this Budget, you will see that we have allocated a lot of money to the Ministry of Interior and Coordination of National Government. We have done that for the last two years. I must say that despite the so-called demonstrations against the IEBC, the country has so far been very peaceful. We must give credit where it is due. Our men and women in uniform have done a very good job under the leadership of Hon. Nkaissery. So far they have done their part. As politicians, we might differ when they arrest us and put us in police cells, like last year when they put me in for demonstrating against corruption in Narok. We might differ with him when they put in our eight colleagues who are still in police custody, but as politicians, that is our part. We will deal with that when the time comes, but we must accept that the Ministry of Interior and Coordination of National Government has done a good job. We have continued to give them money which I think will go a long way in helping this country to be peaceful. We do not want a country that is not peaceful. We have not had terrorist attacks recently. We want to congratulate Hon. Nkaissery, the Inspector-General of Police and our men and women in uniform.

We have also seen a lot of money being allocated to the Ministry of Transport and Infrastructure. I am particularly happy because I have been following a road that runs from Narok to Maasai Mara. Finally, I saw the officers going round the other day and I think they are going to tarmack the road before elections. That is one item that the people of Narok have said that if the Jubilee Government is not going to tarmack that road, maybe it might forget about their votes. But if it tarmacks it, then they might be lucky. I do not know.

On the State Department of Vocational Training, I think for most of us who have already built these technical training institutes, all that we require is equipment. I have seen some money

that has been set aside which is going to go a long way in equipping those training institutes so that our children who cannot join university and other learning institutions can join them, get skills and can be employed.

Hon. Temporary Deputy Speaker, I rest my case. Thank you.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): I now give the Floor to the Member for Kitui Central, Hon. Makali Mulu.

Hon. Mulu: Thank you, Hon. Temporary Deputy Speaker. I also want to support this Report of the Budget and Appropriations Committee and request the House to adopt it. I have taken time to look at this Report and it is very detailed. This financial year has been unique in terms of the way the Budget has been prepared. You are aware that the Liaison Committee did the first part of the Budget and the reconstituted Budget and Appropriations Committee did the other part. We must appreciate the work done by these two Committees of this House. The other advantage of doing that is that most of the chairpersons of the Departmental Committees now appreciate the way the Budget is done. Initially, they would complain that the Budget and Appropriations Committee is revising their budgets. I think they now appreciate and they know it is not easy. This will enable them to know that when they see things being changed they do not complain but appreciate that it is the reality of the matter.

I have looked at this Budget and it is quite ambitious. Why am I saying it is ambitious? This Budget has a gap of about Kshs700 billion. This money is supposed to be borrowed internally or externally. If you look at the way we have been generating revenue locally, you will find that we have fallen short of the targets for the last two years. This means that even the amount we target to collect of about Kshs1.5 trillion will not be realised. If we have a shortfall, it means this gap of Kshs700 billion will be increased depending on what amount they do not receive in terms of revenue collection. That is why we talk about a Budget deficit of about 10.1 of the total. However, if you remove the money for the Standard Gauge Railway (SGR), it reduces to about 6.1. That is still quite high.

We are all aware of what is happening to the public debt currently. The international indicators show that we are not badly off as a country. But I have said many times that, as Kenyans, we need to be concerned because the more this amount keeps increasing, the more our future generations get indebted. Economic theories on debt management demand that we balance public debt between current and future generations so that we do not have future generations who will find it very difficult to manage because there will be no money at all for development.

If you commit money to repayment of debts and interests, it becomes a first charge. That is why the money that must be paid as a first charge is over Kshs500 billion. That is money that, even as you budget, automatically goes to that service and you cannot touch even a single cent. What happens is that Budget flexibility starts becoming quite tricky. You have a budget-making process which is quite inflexible because you do not have a lot of money which you can plan for. Most of the money goes to fixed items which you cannot change much.

After analysing the Budget, I have realised that we have some areas which, if implemented, will go a long way in helping this country. In this financial year we have given a lot of money to the youth of this country because there are very many initiatives targeting the youth. We are aware of the unemployment situation in this country. So, if we pump a lot of resources to the youth, it means we will address some of the challenges the youth are facing. At the end of the day the youth, who are the majority in this country, will be engaged in economic activities. That is an important area. I just want to put a caveat that the money we have set aside this year will not be used the way we used the money the other year.

You remember the National Youth Service (NYS) issues. If you look at the money we allocated to the NYS and the Youth Development Fund, you will find that there was a lot of misapplication. So, my plea is that this time let us try as much as we can to apply the money targeting the youth of this country to the intended purpose. That will help this country.

The other area which I think is very important which this Budget has addressed very well is that of tourism. We all know the tourism sector in Kenya suffered a bit because of security threats and issuance of travel advisories. We have pumped a lot of resources to this sector and I can say without any fear of contradiction that if this money is used well, this sector will recover and assist this country grow.

The other important sector is infrastructure. A lot of money has been set aside for the infrastructural sector, for example, development of roads, energy and railway. This is quite important. These are what we call growth movers. These are sectors that will make the economy grow. The targeted economic growth rate of 6 per cent, if we implement well, could be achieved. If you look at the trend of economic growth, 2014, you will find that we achieved 5.3 per cent growth rate; we were at 5.6 per cent in 2015 and now we estimate to grow at 6 per cent. That will be a growth of about 0.4 per cent. From my own analysis, I think we may not get to 6 per cent; we might get to 5.8 per cent. Why am I saying this? With the rising political temperatures, investors are going to start adopting an attitude of wait and see. Nobody wants to put money in an area where you are not sure about the future. So, with the rising political temperatures, this growth might be a bit ambitious. We might grow at 5.8 per cent, although generally if you look at the region, you will find that we are not badly off. The international growth rate is about 3.2 per cent. In the sub-Saharan Africa where we are, it is about 3.5 per cent. To some extent, these figures look ambitious but we wish the economy well in terms of growth. We hope the National Treasury will get this right.

We have done well in the National Social Safety Support programmes targeting our disadvantaged like the elderly, orphans and the disabled. We have pushed the Budget up in this area and this is going to kind of cushion the disadvantaged groups so that they can feel that they are Kenyans. We need to support that item.

I want to talk about some of the things that, as a country and as a Budget process, we might not be getting right. We need to be keen on that as we move forward. One of the areas is on programme budgeting. We have decided, as a country, that we need to go the programme way; that is being clear about the resources, outputs and possibly the results. The challenge we have is that the Budget we are getting from the National Treasury is clear. When it is not clear, we are not likely to realise the kind of growth we want.

The other area is on compliance. The Budget states that the National Treasury only complied 57.14 per cent to the legal framework, the Constitution and the public management.

We have allocated a lot of money to the security sector. I am surprised that while we are giving the police a lot of money, they are denying Kenyans the chance to see Members of Parliament who give them money. We want to plead with this Government to make sure that we do not give police money to harass Members of Parliament who give them money.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): I now give the Floor to the Member for Awendo, Hon. Jared Opiyo.

Hon. Sumra: How about me?

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Hon. Sumra, you will be next.

Hon. Opiyo: Thank you, Hon. Temporary Deputy Speaker for giving me the opportunity to contribute to this Bill. I am encouraged by the Budget that was presented to us this year. A lot of thought has been put to it.

I want to make the following observations: This year's Budget has been made by different people at different times because of the disturbance that was at the Committee then but over and above, it has been well done.

The Teachers Service Commission (TSC) had asked for some reasonable amount of money but unfortunately, we did not allocate enough money to it. They had asked money for the employment and promotion of teachers this year. Reliable reports from the TSC indicate that we have a teacher shortage of 85,000. However, this year, in the Departmental Committee on Education, Research and Technology, we had recommended that money be availed to employ up to 10,000, but unfortunately the money that is available will only support the recruitment of 5,000 additional teachers. This nation must learn to prioritise its needs. If we continue to say that we have free primary and subsidised secondary education and we send our children to school without instructors, we are killing generations. I would like to suggest that we should have a national conversation. The dialogue being called by the political class should include discussing the issue of teachers. The President should be canvassed to accept the fact that we have acute shortage of teachers. The Budget and Appropriations Committee responsible for allocating monies to Ministries, Departments and Agencies (MDAs) should appreciate that we have generations to mould and that can only happen in an environment where we have adequate number of teachers. Going forward, the Government must decide how to remunerate its teachers in terms of promotions and recruit enough number of teachers for our children in schools.

I am happy that notice has been given about monies allocated to the National Treasury to develop systems such as the Integrated Financial Management Information System (IFMIS). Over the last three years, we have seen such monies being voted and I wonder the kind of management systems that can be developed with billions. I am happy that on the amendments, some reductions have been made.

On the Ministry of Interior and Coordination of National Government, I think the National Police Service (NPS) is more or less an independent service, and I would urge that the monies we vote be controlled by the service instead of being lumped together under the Presidency and later on, devolved downwards to the police. The NPS must have a general oversight of what their needs are and then prioritise how they will use the monies for best results. We have housing problems within the Police Service that affect service delivery. The best model that will ensure that our police are properly remunerated and their morale boosted should be developed so that we can enhance our security.

Over the recent past, you have seen a lot of deployment of the police force and not service to counter peaceful protests across this country. Sometimes we wonder whether when we vote money to the police, our first intention is to oppress citizens of this nation. We have to ask ourselves whether the heavy artilleries displayed on the roads by the police are what we vote our money for.

I am impressed by the increased allocation to our National Social Protection Programmes. Hon. Temporary Deputy Speaker, where you come from, you are aware that there are many old people, orphans and the vulnerable members of the community who have benefited from this programme. Going forward, apart from expanding the social safety net to accommodate as many people as possible, we can also review upwards the stipend paid to each individual from the current Kshs2,000, 3,000 or 4,000 to a level that can sustain them. We must

appreciate the vulnerable people who live among us. The committees and officials that handle this money should be properly facilitated. In the past, we had cases where committee members travelled very far distances to converge and look at how those people would be allocated resources. They travel long distances, but they are not given any allowances. At the policy level, provisions must be made in future so that we make the people who work in that department as comfortable as possible.

Our ministries must accept the fact that since we changed the Constitution, we ceased to be a budget-approving Parliament. We are a budget-making Parliament. Therefore, proper leeway or serious room should be left for Members of Parliament to interrogate, allocate and reallocate resources. We are the representatives of the people. This House is an assembly of representatives of the people. We must be given the opportunity to deliberate as much as possible, and have a bigger say regarding the way our resources are allocated.

Lastly, I want to state that we have to cut down our appetite for debts. Recently, we voted to borrow some money from the Japan International Cooperation Agency (JICA) for expansion of the Port of Mombasa.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Thank you, Hon. Member. I give the Floor to the Leader of the Minority Party, who will be the last one to speak on this Motion.

Hon. Nyenze: Thank you, Hon. Temporary Deputy Speaker, for giving me this chance to contribute to this very important Motion. I want to congratulate the Chairperson and the Committee for doing a good job. This is an ambitious Budget. There are few issues I want to raise, which I feel should inform future budgets. This is a Kshs2.27 trillion Budget. It is equivalent to 30.8 per cent of the Gross Domestic Product (GDP). There is a very big chunk of money that we do not have, amounting to over Kshs600 billion. The country has to struggle to borrow both domestically and from donors to bridge the gap. This will strain the local businesses, which borrow from commercial banks. I thank the Committee.

I know that Hon. Millie Odhiambo who sits in that Committee is in the House. It is not good to reinvent the wheel whenever you make a budget. It is good to ask yourself why some countries have done very well in a span of only 20 or 30 years. They have moved from the least developed countries to middle income countries, and then to the First World, for example, China, Indonesia and Taiwan. They have done quite well within a short span of time. We have the Asian Tigers. They have done quite well because they have picked a few areas only, which they have concentrated on. One is infrastructure development which they have done very well. They have invested heavily in rail development, airports, ports and roads so that air, rail, roads and sea ports communication is very good. That makes it easy to do business and attracts investors.

Hon. Temporary Deputy Speaker, if you check, you will realise that those countries have by far very big foreign direct investments because they have invested very heavily in infrastructure development.

In Kenya, we have tried but we have not done very well. We have the SGR. We had started airports and the LAPSSSET projects but most of them, apart from the SGR have stalled. The other bitter thing, I do not know if it is out of bad politics, is that all the countries surrounding Kenya that would have used the port of Mombasa, the Lamu Port, the SGR, our airports and even the pipeline have turned their backs on Kenya. Look at Rwanda, Tanzania, Uganda and South Sudan who were our friends, they have said that they would rather transit their goods, especially the fossil fuels, through Tanzania. It is good for us to ask ourselves why and put our house in order.

The other thing I have seen in this Budget is that we have invested very little in energy. If a country has a cheap source of energy; if the cost of petroleum, the cost of electricity and the cost of power is lowered through good scientific production processes and through subsidised power arrangement, very many countries will be attracted to invest in it. That is what the economic tigers of South East Asia have done. Today they enjoy very good lifestyles.

The Committee and the National Treasury allocated very little money to agriculture which is the backbone of this country. Very many jobs are in the agriculture sector. If you look at the gains China and India have made, you will realise that they have done it in a very smart way. That is through value addition. You produce cotton and instead of exporting it raw, you manufacture clothes. You make sure you manufacture in the best way and you sell to Europe, America and all the developed economies. They produce leather products because they have animals. They produce the best shoes and handbags. They manufacture footwear and clothes because everybody has to look good and has to buy those things. Those countries promote those economies.

In education, the recurrent and development expenditures are almost equal. I have seen that we have allocated almost an equal amount of Kshs858 billion for Recurrent Expenditure and Kshs817 billion for Development Expenditure. So, we are using less money for development and more money to pay salaries and other costs. We cannot develop if we are spending more money on recurrent budget and using very little money on development. If this country wants to change and if this economy has to grow, it has to conduct research and carry out development which has been allocated very little money in this Budget. If you do research, match it with the industry. Train people to the highest standards and produce goods that are attractive to the buyers and foreign countries, and you will create wealth and jobs. If you go to the Export Processing Zone (EPZ) and see what is made for export to America because of the arrangements we have with the US, you will see what quality value addition can bring.

We have to make education free. In my constituency, most people cry about school fees for colleges, universities and secondary schools. Parents really suffer. The little money that we get for bursaries is not enough to give to every parent. Time has come for us to make sure that we make education, all the way to university, free in the next Budget, so that poor but bright kids from poor families can access education. Education will drive away poverty. It will bring about wealth. People will be trained and will work in other countries like the Arab States and the United States of America (USA). Also, once we develop our industries, they will absorb these graduates.

There is also the issue of retired teachers. They went to court, won their case and were awarded Kshs49 billion. I did not see it in the Budget. If the State cannot obey the High Court ruling; if the Cabinet Secretary for the National Treasury cannot obey the Court, how do you expect the man in the street to do so? It shows bad faith and it is a bad precedent. Let the retired teachers who won the case and have been awarded that amount of money be paid their dues in this Budget. Let all those dues be settled so that they can access drugs and enjoy their retirement benefits in old age. That will move this country to the next level.

We have to make our budget-making and resource allocation equitable because there are areas that have lagged behind since Independence. Thanks to the new Constitution, we have devolved funds, though they are being corruptly spent by some governors and other contractors in some counties. However, the good thing is you can, at least, see some rays of hope in some of the counties that were left behind. However, the national Government, through this Budget, should implement affirmative action so that kids in Rift Valley, Pokot, Machakos, Murang'a,

Kilifi and Nyanza enjoy an equal lifestyle. Some areas have been left behind. People walk long distances to access education in schools. We have to correct that by making sure that we apply affirmative action to those areas that have been left behind in development so that we allocate more money to those areas and raise their standards of living so that they cannot only compete but compare with areas that are developed.

This is an ambitious Budget. If we can get the money to bridge the gap, it will be good because there are areas that need to be developed. There is something that worries me about this Budget. This is about the debt. Though the International Monetary Fund (IMF) has said that our ratios and status look good, Kenya is a very indebted country. Unless we compare the debt to the GDP ratio, we will reach a point where we become a failed economy like Greece. Let us not have an appetite for borrowing money even if we are developing these projects. Let us have a smaller budget that can be financed by the taxes collected and not huge budgets that will expose us to increased borrowing. If we do that, we will leave the children of this country in debt. Even in our lifetime in this Parliament, we will not be able to service our debts. It will be a tall order for an economy which is growing at 6.5 per cent when we will start servicing the Standard Gauge Railway (SGR) loan, the loan for the Port of Lamu and the loans we have borrowed for very many other activities. Where is the 6.5 per cent economic growth going? If the economy is growing, the person on the streets must feel its effects. People are struggling to pay house rent, put food on the table and pay school fees. The question is how we explain the 6.5 per cent economic growth to the common man. Does it not trickle down to them? That is a paradox which should be explained. It can be on paper or sectors but it has to trickle down to the common man.

We have allocated a lot of money to security. It would be very unfortunate if, as leaders, we cannot see our colleagues in custody despite the crime they have committed. The law is very clear that one is entitled to see the other. When you block legislators or leaders like us from seeing our colleagues, we may reach a point when we will not be allocating money to the police. We may decide to allocate very little to them because they are breaking the law. We are not sounding a warning. We will not allocate money for people to be clobbered. We do not support hate speech. Let us watch our tongues so that this country does not get into war because it is very easy to cause a civil strife.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Thank you, Hon. Member. I now want to call the Mover to reply.

Hon. Barua wanted to contribute. Can you give him two minutes?

Hon. (Ms.) Otucho: I will give him two minutes.

Hon. Barua: Thank you for this opportunity to contribute to this important Bill, Hon. Temporary Deputy Speaker.

I would like to start by saying that the Budget of this year is one of the biggest this country has ever had. The fact that it is big means that *mwananchi* expects more services from this Government. It will be unfortunate if we present this type of Budget and yet the common man on the ground does not see its fruits. I am saying this because this country has been faced and bedevilled by corruption since Independence.

With the inclusion of the county governments, we have also devolved corruption. As Parliament, we are appropriating over Kshs300 billion to the counties. For this country to grow, this money must be used for the purposes it is intended. Right now, not much is being seen although a lot of money has been given to the counties. Accountability within our counties must be enforced.

Since I have two minutes only, I would like to state that in addition to infrastructure, it is important for us to ensure that we allocate money to instruments of growth in future. One of the biggest contributors to economic growth – an aspect that has promoted countries from poor status to rich status – is Small and Medium Enterprises (SMEs). I hope we shall provide more money for their development in the next year's Budget so that we grow our economy.

With those few remarks, I support.

Hon. (Ms.) Otucho: Thank you, Hon. Temporary Deputy Speaker, for the opportunity. From the outset, I want to take this opportunity to recognise and thank the Office of the Speaker, the Office of the Clerk and our Budget Office for their effort, and the Hon. Members who have contributed to this Motion. This is not forgetting my very able Chair who has led the Committee on Budget and Appropriations to bring this entire process to fusion.

Members have given their varying views and opinions with respect to allocations to various departments and Ministries. I agree with most of them. As the Budget and Appropriations Committee, there were certain areas which we felt needed more allocations, for example, the Office of the Auditor-General. With the increased responsibility and devolved units, this Office needs more funding to recruit, oversee and do monitoring and evaluation, which we require them to do. Because of the constraints of the resource basket, we were not able to do that. Those are some of the departments that we feel going forward, probably in the Supplementary Budget, need to be considered.

The National Treasury, Parliament and the Judiciary did not adhere to the ceilings as was approved by a resolution of this House. That is a concern and just like we reiterated in last year's financial Budget, we requested the Executive to make consultations with the various ministries, departments and agencies, before presentation of the Budget Policy Statement (BPS). By doing this, they would agree on critical areas and programmes that need to be factored in the BPS so that by the time they present the Budget Estimates there is adherence. That was one of our concerns and I feel that I should mention it.

Secondly, Members have raised concerns with respect to perceived overfunding to certain departments, for example, the Ministry of Interior and Coordination of National Government or the security sector. I think Members will agree with me that considering what this country has gone through under the hands of terrorists, it is important for that sector to be sufficiently funded so that they can address issues of building technical capacity, improving and upgrading their equipment, improving morale of the uniformed officers and not forgetting their general welfare.

I think that is an area we should be proud of because we need to protect this country and build our image internationally to improve our tourism sector. I also want to say something about infrastructure or roads. I agree with the Member who said that there are areas in this country especially North Eastern which have never seen tarmacked roads. Tarmacking is now being done across the country, including in my constituency of Teso South. The road connecting Malaba and Busia is in this Budget. I think there are many areas in this country that are realizing development and are going to have infrastructure.

If you look at the energy sector, you will find that we have electricity in our villages today. I think a lot of funding has gone towards building this sector. I want to go back to what my friend, the Leader of the Minority Party, has just said. Members keep referring to Singapore because it has surpassed Kenya in terms of development. I agree with him and think that Kenya is headed towards the right direction, looking at our budget, roads, energy and infrastructure. I think that is where we are headed to because you cannot industrialize and attract investors if you do not have a stable energy supply.

These are some of the things this country is focusing on and our problem is inefficiency in the administration of our resources. If we address issues of corruption, improve on management of our resources and put in place systems to ensure that we are collecting enough revenues as projected and make sure that our projected estimates are realistic, I believe we will be headed in the right direction. To that extent, I agree with members on those comments that they have made. I have just said that none of the departments or ministries adheres to the ceilings. On the national deficit arising from increased expenditure, this Budget records a deficit of Kshs775.7 billion, which is going to be financed through borrowing and grants. What I want to reiterate here is that the National Treasury should ensure that whatever money we borrow must go towards development. There should be tangible outcomes. We are telling the Auditor-General that he needs to get into what we call value-auditing and not just looking into adherence and compliance to the regulations and laws like the Public Finance Management Act. Can we see the outcomes out of the budgets that we provide?

There is need for the National Treasury to ensure that the borrowing goes towards development projects and when borrowing, they should give us a list of the programmes that show that the borrowing has gone towards development so that we do not get ourselves into the problem we had with the Eurobond. That will be a good thing going forward.

As I conclude, I also want to say that there is need for enhanced monitoring and evaluation. The mandate of the Budget and Appropriations Committee as provided for under Standing Order 207(3) is to investigate, inquire into and report on all matters related to coordination, control and monitoring of the national budget. I think this Committee should be properly financed and capacitated to be able to undertake that role. Besides that, we are supposed to discuss and review the Estimates and make recommendations to the House.

I must also go on record, as a Member of the Budget and Appropriations Committee, that I am a bit disappointed. I do not understand exactly what our role is. What is to discuss and review? The Budget and Appropriations Committee is being blamed for every mistake in the allocations and yet it does not originate any estimates. The Estimates are originated by the ministries and departments guided by the ceilings that have been provided by the National Treasury. After that, the Estimates are submitted to the Departmental Committees for scrutiny before they are forwarded to the Budget and Appropriations Committee for us to give our review. However, from experience, for the last three years, the tradition in the House is that the Budget and Appropriations Committee has been turned into a rubber stamp. What is the point of having a Budget and Appropriations Committee that does not have teeth to bite and that cannot review or change the position of the Departmental Committee? We need to relook at Standing Order 207 and define exactly the role of the Budget and Appropriations Committee. We cannot review or change a figure. If we do that we face the wrath of this House on this Floor. What is the purpose of having the Budget and Appropriations Committee?

We visited the Mexican Parliament on a bench-marking trip just to see what they are doing in that country. The Budget and Appropriations Committee is the ultimate decision maker. They make the final decision. In that country, if a department or ministry misappropriates any funds, the Budget and Appropriations Committee has power to reduce the value of the next budget by the same amount. That is an area of concern. As the Budget and Appropriations Committee members, we need to know exactly what the role of the Budget and Appropriations Committee is.

With those few remarks, I beg to reply.

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Thank you, Vice-Chair. I am looking at Standing Order 207. I think your functions are very clear. Maybe the question is: Are you using the powers that have been given to you by the Standing Orders effectively? I think it is very clear.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. (Ms.) Shebesh): Hon. Members, the time being 6.30 p.m., this House stands adjourned until Tuesday, 21st June, 2016, at 2.30 p.m.

The House rose at 2.30 p.m.