

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Thursday, 24<sup>th</sup> March, 2016

The House met at 9.30 a.m.

*[The Temporary Deputy Speaker  
(Hon. Cheboi) in the Chair]*

PRAYERS

QUORUM

**The Temporary Deputy Speaker** (Hon. Cheboi): Hon. Members, we do not have quorum. I, therefore, order that the Quorum Bell be rung for 10 minutes.

*(The Quorum Bell was rung)*

Order, Hon. Members! We now have a quorum. We should now start our business.

MOTION

IMPROVING MANAGEMENT OF  
CANCER IN THE COUNTRY

*(Hon. (Ms.) Nyasuna on 16.3.2016)*

*(Resumption of Debate interrupted on 23.3.2015- Morning Sitting)*

THAT, aware that cancer is a leading cause of death globally with more than 70 per cent of all cancer deaths occurring in developing countries; further aware that in Kenya, the disease ranks third among the main causes of death after infections and cardiovascular diseases and accounts for up to 18,000 deaths annually, with over 82,000 new cases reported annually; noting that over one-third of cancer patients experience clinical anxiety and depression, profoundly affecting the families psychologically and economically; cognizant of the fact that some of the patients travel up to 600 kilometres to Kenyatta National Hospital (KNH), the only public hospital that hosts most of the oncologists in Kenya; further cognizant of the fact the remaining small number of oncologists are mainly based in Nairobi; deeply concerned that only a few patients get admission or outpatient treatment due to monetary constraints; this House resolves that the Government mitigates the situation by offering scholarships to at least one (1)

Medical Masters student per county to study oncology, and signing contractual agreements with them to serve in designated cancer treatment and management centres; building partnerships with existing medical institutions in local public universities for provision of training opportunities; and emphasizing on the use of telemedicine and E-Medicine to eliminate distance barriers and improve access to medical services.

*(Question put and agreed to)*

### PROCEDURAL MOTION

#### REDUCTION OF PUBLICATION PERIOD

**Hon. Chepkong'a:** Hon. Temporary Deputy Speaker, I beg to move the following Procedural Motion:-

THAT, notwithstanding the provisions of Standing Order 120, this House resolves to reduce the publication period of the Vetting of Judges and Magistrates (Amendment) Bill (National Assembly Bill No. 5 of 2016) from 14 to 3 days.

Hon. Temporary Deputy Speaker, this is purely a Procedural Motion to allow us introduce the Bill to be read for the First Time. The urgency of this Bill is that this matter was decided by this House to extend it by three months. Unfortunately, the Supreme Court made a decision the other day requiring that pending matters relating to Hon. Justice Ombija and others be concluded expeditiously. He went to the High Court but the matter was still pending. Therefore, the urgency is to enable the Judges and Magistrates Vetting Board to complete those matters within six months. Instead of three months, we should just add them another three months so that it makes it six months. It does not require further funding. They have sufficient monies to carry out the activities within that period. So, we request for a reduction of the publication period of this Motion from 14 to 3 days.

With those remarks, I beg to move and request my friend, Hon. (Dr.) Chris Wamalwa, a former lecturer to second the Motion.

**Hon. Wakhungu:** Hon. Temporary Deputy Speaker, I rise to second the Motion. This is very critical. As the Chairman of the Departmental Committee on Justice and Legal Affairs has clearly indicated, there is no provision for extra money to be spent. The Board has enough money.

As this process moves on, our request is that it must be time-bound because this extension has been there for long. It is good that we support this Motion so that the process of dispensing justice can be expedited.

There is a lot of anxiety when you are waiting to be vetted. You tend to be relaxed and cannot operate objectively. So, it will be good for this House to shorten the period so that this body can continue doing its work. Thank you and I second.

**The Temporary Deputy Speaker** (Hon. Cheboi): Very well.

*(Question proposed)*

I get the feeling that Members want to dispose of this.

*(Question put and agreed to)*

Next Order.

## BILLS

### *First Reading*

#### THE VETTING OF JUDGES AND MAGISTRATES (AMENDMENT) BILL

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

### *Second Reading*

#### THE DIVISION OF REVENUE BILL

*(Hon. A.B. Duale on 23.3.2016)*

*(Resumption of Debate interrupted on 23.3. 2016)*

**The Temporary Deputy Speaker** (Hon. Cheboi): Very well. We are resuming from where we left it yesterday evening. I am informed that the Hon. Member for Taita Taveta has a balance of seven minutes.

**Hon. (Dr.) Shaban:** Thank you. It is clear in our Constitution that there are two levels of government, the national and county governments. It is stipulated clearly how revenues are going to be divided in terms of what we do at the two levels of government. On the Jubilee Government agenda, I wanted to emphasise on medical equipment in most of our public institutions. As you are all aware, Level 4 and 5 hospitals have been identified in each of the counties to be given equipment so that people do not have to congregate in Nairobi, Mombasa, Kisumu and Eldoret to access treatment but they should access treatment at the county level.

Despite the fact that there is Kshs4.5billion which is going towards leasing of this equipment and most of the equipment has been delivered in a number of those institutions, what is obvious is the fact that there is lack of personnel to utilise those equipment and to administer treatment to the people using them. Beautiful equipment without skilled personnel will not serve the purpose it is meant to serve. It is my hope that the Executive is going to make a deliberate move to ensure that we are able to train as many people as possible. Our Kenya Medical Training Colleges (KMTCs) are going to provide more space than what is available for training of health personnel who can go and use that good equipment and give services at counties.

Looking at this Division of Revenue Bill, there are places such as Lamu and Tana River which have major problems. Even wanting to deliver the equipment to them, they do not have the infrastructure to carry the equipment. There is some Kshs200 million that has been set aside to go to Tana River and Lamu, that is Hola and Lamu Hospitals to put up infrastructure before the equipment is delivered there for their use.

For the people who have been able to go round this country, we realise there are places where it is very difficult for people to access any good facility where health services are concerned and this move by the Jubilee Government to have this equipment was a very good move. However, we need to make sure we have enough personnel to be able to deliver services to the people.

I know that the revenues which have been collected at the county level have been dwindling. There are complaints everywhere that what used to be collected by the local governments has substantially gone down yet the amounts of money people are paying in terms of the services which are being delivered are high. The amount of tariffs which are being collected by the county governments have been raised so much that we should have seen an increment in the revenues which are being collected. Instead we see a major problem in terms of accountability where the collection of revenues is concerned and even the usage of that revenue.

The Executive will now have an opportunity to close all the loopholes which are there because some of them are so glaring. Everybody can tell the games being played at that level. It is important for us as we are talking about corruption at the national level, to also deal with corruption at the county level. Let us not say that it is our turn to eat because at the county level it is our own brothers and sisters who are running the show. We need to close the loopholes so that we can see the meaning of devolution otherwise we shall continue to talk about devolution being useful and yet it is devolution which will be useful to a few characters and leaving out the rest of the people who are meant to benefit from it.

Whereas people are complaining that the latest accounts should have been used in terms of sharing out this cake at the two levels of government, the law is very clear that it has to be on the latest acceptable accounts by the Public Accounts Committee (PAC). It is not enough for people to think that by adding more money--- If people cannot account for the little that they have been given and they cannot show what they have used it for then we do not need to add more. That is the only way we can have a better explanation.

We need to be accountable and serious about fighting corruption. We also need to add our voices to that of the President and help him clear this problem that we have in our country.

I beg to support.

**The Temporary Deputy Speaker** (Hon. Cheboi): Very well. Let us have the Member for Westlands.

**Hon. Wetangula:** Thank you. I wish to contribute to this Bill, the Division of Revenue Bill. We are working under the new dispensation of our new Constitution where we have two levels of government. It has been provided that the national Government shall allocate some revenue to the counties. We need to look at the way this revenue as given to the county government is being used. As part of our oversight role, we should continue looking at it so that we minimise wastage. What we are experiencing is wastage both at the national Government and at the county government. It is as if we are devolving corruption from the centre to the units. The central Government has been responsible in withholding the revenue from these county governments. Sometimes, they delay so much that the county governments grapple with debts. There are so many things happening there like riots and staff going on strike.

The other thing that we need to look at is the revenue allocation. Revenue should be given equitably. If we look at the Nairobi County, it is not like any other county. It is the place where 60 per cent of our GDP is located. If we are going to give Nairobi the same amount of money that we are giving Turkana County or those other smaller counties, it will be

disadvantaged because Nairobi needs more revenue for its own performance. Nairobi should be treated in a more special manner than these other counties. When we are allocating revenue, Nairobi should be looked at in a more specific way knowing very well that it is generating most of this income that is being given to these other counties.

The other thing that we need to look at is how the county governments collect revenue which they are supposed to top up with what they are getting from the central Government. One of the things we noticed is that these counties under the defunct local governments, used to collect revenue and used to perform. But now that money is being given to them from the central Government, most of these counties have abdicated their duties. They are not collecting revenue. From the reports we have seen even from the World Bank, most counties are either not collecting revenue or accounting for it. So, we also need to encourage them to collect revenue from their sources so that they can use it to enhance what is given from the central Government.

Hon. Temporary Deputy Speaker---

**The Temporary Deputy Speaker** (Hon. Cheboi): Order, Hon. Member for Westlands! What is it Hon. Member for Turkana East?

**Hon. Ngikor:** Hon. Temporary Deputy Speaker, I just want to know if the Member is in order to say that some counties are small and others are big. The formula for sharing revenue is not based on the size of counties. It is based on the formula which includes poverty index and so many other things. So, when he says some counties are big and others small, is he in order?

**The Temporary Deputy Speaker** (Hon. Cheboi): That is a point of argument. Are you challenging it Hon. Ngikor, that there are some counties which are smaller and others are bigger?

**Hon. Ngikor:** In terms of what? That is what I want to know.

**The Temporary Deputy Speaker** (Hon. Cheboi): Well. That is what he has just said.

**Hon. Ngikor:** This is Nairobi. All of us hail from Nairobi and we come from other counties.

**The Temporary Deputy Speaker** (Hon. Cheboi): Let us hear what the Member for Westlands has to say. I do not think that is a point of order, it is a point of argument. Hon. Ngikor, I can see you are not far in the line, you will have an opportunity to argue out your case.

**Hon. Wetangula:** This is common sense; even the allocation of revenue is not the same. We are talking about equitable allocation of revenue. I only gave the example of Nairobi being the place which is generating most of this revenue and yet it is being placed almost at the same level with other counties.

When you look at the devolution of the health sector and the allocation of funds to these hospitals, most of these Level 5 hospitals at the county level do not have capacity to handle some of this equipment that is being given to them.

Again some of this equipment has been procured by the central Government. The county governments, in most cases, are just being given this equipment to go and make use of it. So, you find that they do not have the capacity to handle that equipment. They do not have even a place to place them. We need to look at it so that when this equipment is procured, we have trained personnel and these hospitals have the capacity to handle that equipment. Otherwise most of them will go to wastage and they may not be used.

The other area is the revenue allocation from the road maintenance levy. We are having issues about roads. There is confusion on areas supposed to be handled by the county government and the central Government. For example, urban roads used to be maintained by the defunct local governments. I believe if this revenue is given to them, we should allow them to

deal with the roads that are within their jurisdiction especially those urban roads. I gave an example of Nairobi because I am Member of Parliament from Nairobi County. Most roads in Nairobi are so dilapidated. The City County Government is saying it is not supposed to maintain those roads because there are other agencies that are supposed to deal with it.

This is bringing many problems. Most of the blame is coming to us Members of Parliament. They say we are not working because when roads are not good, most of them look at the Members of Parliament. So, we need to look at it and know how to deal with it so that we allow county governments to deal with this road maintenance.

I wish to stop there but I still feel that as we continue to improve the performance of our county governments, we need to improve their capacity and improve on our role of oversight. We should not try to criminalise them because this is the first time we are having this kind of system. Obviously, we shall have teething problems. We must always continue to try to solve problems so that we improve on performance and efficiency at the county government.

I know that right now, Kenyans will not accept us to regress on these county governments. As much as they are having problems, that is the area that we need to go because revenue is now going down to the lowest level of government. It is reaching people just like the Constituencies Development Fund (CDF) has done. We also need to improve the performance of the county government so that efficiency is taken to the lowest level of the country so that citizens enjoy the national cake.

Thank you very much for giving me the opportunity to contribute.

**The Temporary Deputy Speaker** (Hon. Cheboi): very well. Let us have the Member for Kitutu Chache North.

**Hon. Onyonka**: Hon. Temporary Deputy Speaker, it is Kitutu Chache South.

**The Temporary Deputy Speaker** (Hon. Cheboi): Okay. Then you might have to report to the people who are preparing the system because it is recorded as Kitutu Chache North. I know you are a Member for Kitutu Chache South. Proceed.

**Hon. Onyonka**: I am aware. That is why I hardly speak. I would like to start by saying that it is important for us elected leaders to interrogate this Bill and discuss it so that we can make it a bit simplistic and easy to understand for our voters. It is a document that shows how much money is going to be allocated to all our Government departments, the county governments, areas of representation and indeed all the sectors of the Kenyan economy.

This Bill is the document that shows how much money has been allocated to which national Government department or county government and to all the sectors of the economy. This Bill is meant to provide for equitable distribution of the revenue that is raised nationally among the national Government and the county governments as required under Article 218 of the Constitution. This Bill basically creates an interface between the county government and national Government levels, and amongst all the other levels of devolution created by the Constitution of Kenya 2010.

Generally, the Bill is reasonably enhanced but there are certain basic items that we need to start interrogating and looking at. An example is the issue of the conditional grants, which my colleagues have discussed. The governors and Members of the County Assemblies (MCAs) need to start taking this money seriously. The Parliamentary Committee that has been visiting various areas to find out whether this money is being utilised effectively need to enhance the monitoring of the use of these funds. The oversight role that the national Parliament and the county assemblies play should come in handy to make sure that these monies are used properly.

Secondly, this money has successfully and effectively been allocated for provision of health services. If we are to evaluate how the health sector in this country has been performing, we will realise that we have done very badly. As you notice, nurses have frequently been going on strikes. Many of our health facilities do not have medicines. We need to rethink as to how medicines in this country are being distributed and establish if there is need for the Kenya Medical Supplies Authority (KEMSA) to be devolved to the county level. I am sure that this matter has been discussed in other quarters. That way, it will be much easier for one to know whether a county government has allocated funds for purchase of medicines and whether the funds have been given to KEMSA for them to provide medicines to the county hospital.

It is pointless for us to continue talking about the health sector since Independence until now. As a country, up to now we are unable to provide free anti-malaria tablets to our people. An anti-malaria tablet costs as little as Kshs20 but if you go to many of our health facilities you will find that the medicines are not there. The other conditional grant that has been given is for upgrading of health facilities in Lamu and Tana River counties. This was well thought out, given the fact that the two counties are in close proximity to our boarder with Somalia. Those two health facilities need to be upgraded. This kind of allocation is for a worthy purpose. I hope that Hola County Hospital and Lamu County Hospital will use this money effectively so that it goes into providing the necessary services that it is supposed to provide.

There is also a conditional grant which has been given for maintenance of roads. It is a lot of money. We are talking about Kshs4.3 billion. This is the weakest connection at the county level in terms of the amount of money available and the facilities for road construction and road maintenance. The county governments have been urging that they need to stop Members of Parliament or the National Government Constituencies Development Fund from maintaining roads within our own areas of representation. Governors have done extremely shoddy job. Most of the works they have undertaken have been done badly. The few works that have been done have turned out to be very costly. It is important for us in this House to put the county governments on notice that, as the House that provides oversight, we will monitor the way public resources are being spent. We will make sure that the public gets value for money. From the information we have, on average every county will receive about Kshs100 million for repair and maintenance of roads. This is an initiative we have to monitor and ensure that it succeeds.

I believe that there are more conditional grants that have been given to the county governments by the Government of Kenya in form of equipment such as CT scan machines and dialysis machines as well as cancer and heart disease treatment. Even as we do this, we should know that a hospital will not function without personnel to provide the necessary services to patients, right from the moment a patient walks into the facility, in terms of diagnosis of ailment, provision of treatment and discharge of the patient from the facility. We need to ensure that county governments pay their doctors well. They should start recruiting well trained paramedics, including doctors, nurses and other medical personnel required at the hospitals so that Kenyans can receive the services they have been lacking for many years.

I note that a sum of Kshs14 billion has been allocated for provision of national social safety net for older persons, children welfare, for people with disabilities and for urban food subsidy. I wish we had increased the allocation for these people. The elderly people in this country are very poor and vulnerable. They are suffering. I would want it to be understood that a country that is unable to take care of its elderly people is headed nowhere. I urge this House to make sure that next time we allocate more funds for these people, especially our grandfathers

and grandmothers. We should make sure that the number of beneficiaries per constituency increases from the current 500 to 1,000 people and enhance it progressively over the years until we are able to take care of at least 50 per cent of our older generation.

With those few remarks, I support.

**The Temporary Deputy Speaker** (Cheboi): Let us have the member for Turkana Central.

**Hon. Nakara:** Thank you, Hon. Temporary Deputy Speaker, for allowing me to contribute to this Bill.

The first thing that has brought light to this Bill is the Equalisation Fund, which is 0.64 percent of the revenue collected nationally. This money will be shared equally amongst those counties which are yet to develop. This is one of the good things that the Government has done for those counties which are still behind in terms of development. Although this money has been withheld for a long time, we are happy that it has eventually been released. Some counties have lagged behind in terms of development because they did not get the same treatment as the developed counties because of political affiliations or because of other factors that did not favour them.

I support this Bill because these funds will help the underdeveloped counties to catch up with the rest of the country. On the issue of the national interest, I am very happy that the Government has provided funds for purchase of security operation vehicles and helicopters. We want to see the security agencies in all the counties affected by insecurity being assigned vehicles and helicopters so that they can effectively respond to emergencies.

Counties like West Pokot, Samburu and Turkana have been affected by wars. The security agencies need to be supplied with security operation vehicles. Helicopters should also be stationed there so that in case of an emergency, security personnel can reach the people very quickly. We are also happy that, in the national interest, the NYS is being re-engineered. We want to see the NYS being spread to all the counties so that they can help with implementation of projects. We need to encourage our young men and women to work hard and gain experience. Despite the fact that there has been corruption in the NYS, it is a good idea for us to use these young men and women to develop our country. They will gain experience that will make them self reliant and self employed. On the laptops, this was a promise that the Jubilee Government gave and we have waited for them for a long time. I am happy now that it has come to pass before 2017. The Jubilee Government could have been judged because of this promise it made to the children of this country.

It is my hope that as we take the laptops to various schools, there will be electricity so that they will start operating. In some schools there is no electricity. I want to challenge the Ministry of Energy and Petroleum to make sure that all schools are connected so that by the time the laptops get there, there is electricity. On the issue of welfare, we are very happy because disability and urban food subsidy has been taken care of. On child welfare, there are some children who are orphans; they need to continue with their education and lives. They also have basic needs like any other children. I support that and encourage the county governments to identify these kids.

On the issue of Level 5 hospitals, it is good we equip them because they are the nearest to many people. There are some places where they have no medicine and equipment for surgery. They will reduce transportation of patients from far areas to referral hospitals in Nakuru, Nairobi or Eldoret. As we equip the Level 5 hospitals, we need to make sure that they have health



personnel. It is another thing to have drugs yet you do not have personnel. On cancer cases we need to have specialists in those hospitals so that when cancer patients go there they get proper treatment. That is why we need to support this Bill.

On the issue of compensation to health facilities, there are some hospitals that charge a small fee for drugs and this is discouraging. The county government must make sure that when a poor person goes to hospital with no money they get treatment because the Government has provided this grant to all the hospitals to compensate health care. We have some patients in pastoralists' counties who do not know that this grant exists. They are told to pay for injections, medicine and their medical file. We need to educate our people that there is this kind of money in every hospital and they will not be charged user fees.

On the issue of roads maintenance, we need to encourage the county government to make sure that the roads within the county are accessible and feeder roads are also in good condition. What will expand the counties are the roads. When we have good roads, businesses will flourish and people will travel in and out of the counties to their jobs. I want to appeal to the county governments to make sure that road maintenance money is used well to connect the counties for better transportation. On the issue of special medical grant that has been allocated Ksh.31 million, I want to encourage the county governments of Tana River and Lamu to use this money wisely. I wish they could have also added Turkana County because we border Uganda, South Sudan and Ethiopia. Whenever there are raids in those areas, they bring patients to Lodwar, where we have a hospital that can help them. In future we hope they will consider Turkana in this grant.

With those few remarks, I support. Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Cheboi): Very well, let us have the Member for Kipkelion East.

**Hon. Limo:** Thank you, Hon. Temporary Deputy Speaker. I wish to support this important Bill and state that the Public Accounts Committee has done a commendable job. Three years back, the shareable revenue was based on audited accounts of eight years ago. Now, the basis is on the 2013/2014 Financial Year, which is actually very current. Therefore, it is important to inform the country that the National Assembly has done a wonderful job in the last three years by auditing accounts dating back to eight years. That means two Parliaments did not do their job. Therefore, we should say thumbs up to the Chairman and Committee Members of PAC for the wonderful job they have done for the country.

It is also important to show the country that the Jubilee Government has done a recommendable job by growing the equitable shareable revenue which has been given to counties. When the Jubilee Government took over in 2013, the first shareable revenue to counties was Kshs.190 billion. Now, it has grown to Kshs.302 billion which is an increase above 100 billion. It is not very easy to grow like that. My worry is that when the Government is growing the revenue allocated to counties we do not see what the counties are doing because we have not seen improved services to the people. In fact, it is reducing at an alarming rate.

If you look at the support which has been given to the most important function of the counties which is health, the national Government has given conditional grant of Kshs.4 billion to cover maternity, Kshs.4 billion to lease Equipment, almost Kshs.1 billion for foregone services and another Kshs.4 billion for Level 5 hospitals. We are actually disturbed by the kind of services we see given in those hospitals. If I can give an example of a hospital in my county, it is very sad that almost 80 per cent of patients are turned away because of lack of drugs. They are

out of stock. All sorts of reasons are given many of them hanging around inefficiencies in procurement and management. This is not going to help this county.

Some counties argue that they buy drugs every three months which does not make sense in management science. They should know that health services are not planned for. People do not plan when they will fall sick. How many people plan to fall sick in the next three days? It is actually an act of God. People pray that they do not get sick. It is not going to be possible to be inflexible in terms of procurement of drugs. People will suffer. People get sick after every three months. By God's grace, they do not have problems for another three months. The issue of procurement of drugs should not arise.

Counties should move out of their cocoons. The country is not going to tolerate any more issues of counties saying that the national Government has not sent money. Procurement of drugs should not be a problem. We have KEMSA, which is a Government agency. It is a government to government procurement. The issue of saying that the National Treasury has not sent money should not exist. Why should we hear counties talking about how the National Treasury has delayed funding for procurement of drugs and we never hear of any county talking about how its members have not travelled? They make foreign trips where they are away for almost one month yet we never hear them say that they are not travelling because they have not received funding from the National Treasury. It is an issue of prioritisation. The national Government has done its part by allocating money. The issue of prioritisation is really wanting. We allocate around Kshs200 billion to counties.

We have information, which was circulated last week, that the number of pending bills in the counties is staggering. Some counties have bills pending up to Kshs2 billion. Those particular counties have been allocated more than Kshs25 billion since the inception of the county governments in 2013. They have pending bills dating back to the last financial year. They are waiting for the current allocation so as to pay for the pending bills.

Budgeting is a very big issue. In 2013, there was a suggestion that county governments should adopt the Constituencies Development Fund structure in terms of budgeting, where once you have budgeted for a certain dispensary, whether the financial year has lapsed or not, that dispensary must be constructed. The problem was that everyone who talked about improvement of devolved functions was seen as an anti-devolution agent. Right now, the structure in county governments is in shambles. The money allocated to them is usually a blank cheque. They come up with a budget which is not implemented. The issue of implementation is wanting.

I call upon our brothers in the Senate because 80 per cent of their time is spent legislating or talking about issues touching on the national Government. They summon Cabinet Secretaries and talk about Kenya Airways, higher education and universities. The Senate should understand that its role is to improve services to the people in the counties. Therefore, they should look at legislation which will improve service delivery in the counties. We have never heard the Senate talk about counties which had planned to do this and that and did not implement such. The issue in county governments is implementation. You will find a county had been allocated Kshs5 billion and had planned to spend 20 per cent of those funds on capital projects. At the end of the year, you find that they spent less than 5 per cent on projects leaving a staggering 95 per cent to Recurrent Expenditure. We have not heard anything about that in the Senate. They should not just talk about corruption. They should talk about implementation of the plans which have been listed in the various budgets by the county governments.

The amount of Kshs302 billion is way above what was given last year. It is enough money. I call upon the county governments to take this amount and use the one year left to implement the projects which they had promised for the benefit of the people. We have not seen tangible projects being done but we hear a lot of noise about how the national Government has not done this or that. We want to see more of their projects.

I support the Bill and ask the House to support it. We must look at the implementation going forward.

**The Temporary Deputy Speaker** (Hon. Cheboi): The next five Members who will speak will be the Member for Chuka/Igambang'ombe, Hon. Grace Kiptui, Hon. Ferdinand Wanyonyi, Hon. Nakuleu and Hon. Lomunokol. You do not need to use the entire 10 minutes. We are beginning to repeat ourselves. Let us reduce the amount of time for contribution as much as possible so that we can have as many Members as possible speaking to this Bill. I will then give the list of the other Members who will contribute. Those are the five Members who will be speaking now. I will make a decision on the order in which they will speak.

**Hon. Njuki:** Thank you, Hon. Temporary Deputy Speaker for this opportunity and the transparency of listing the next five speakers. That is real transparency. I commend you for it.

I stand to support the Division of Revenue Bill, 2016. We have to support the devolved units that we created in the Constitution 2010. We will adhere to the guideline you have given. Most of the things have already been said. Unless I have something to add, I do not intend to repeat what my colleagues have said.

One of the reasons why we voted for the Constitution to devolve functions and facilities to the counties is to enhance what the Constituencies Development Fund was already doing. One of the reasons why the Constituencies Development Fund is very successful is because we have a board, which we reconstituted the other day, that approves the projects that are supposed to be done by the Constituencies Development Fund. That is why the Constituencies Development Fund has been very successful. It is unfortunate, even as I support this Bill, to realise that because of the blank cheque the county governments have been given, they are the ones who decide how to implement this kitty. There has been a move to mostly use this kitty that they have been given to develop the counties as a political rewarding kitty. There has been indirect competition between the Constituencies Development Fund and the county government.

The money we give to the county government should not be for competition with the Constituencies Development Fund. We normally see that if the Constituencies Development Fund has constructed two classrooms in a particular school, the county government constructs other classrooms in the same school. The residents of Kenya who are in the counties were looking forward to a phenomenal change which would have been a gap between the Constituencies Development Fund and what the national Government can provide. We expect that if the Constituencies Development Fund is constructing a school, the county government should be constructing an industrial park to create jobs for the youth. If the Constituencies Development Fund is constructing a marram road, we expect the county government to be constructing three kilometres of tarmac. The county government should not be in competition with the Constituencies Development Fund just to subsidise what it is doing. Looking at the amount of money we are giving to the county governments, it does not make sense for them to be involved in those kinds of dealings.

As much as we may think that 32 per cent of the national Budget is not a large amount of money, remember the Constitution provides for 15 per cent of the national Budget. Therefore, 32 per cent is way above the targeted amount. It is a bonus and it should do much more than this.

Allow me to briefly dwell on the issue of the health services. That area is fully funded but the services are not in tandem with the money that is given to the county governments. In Tharaka Nithi, every year we normally have a strike by the nurses and health workers. In other counties, workers are paid on 24<sup>th</sup> or 29<sup>th</sup> of every month.

The other day, I noticed that we have debts that my friend was calling unsettled bills by county governments that date back to 2013/2014 Financial Year. Why are we receiving money for the Financial Year 2016/2017 yet we have debts for 2013/2014? What happened to the money that was supposed to pay people who were given tenders at that time? The procurement Act with amendments which we have at the moment has clear terms that you cannot give a contract unless you have money in your bank or it has been allocated and just waiting to be dispensed. There is misappropriation in terms of funding projects that are not a priority.

On roads, I have seen that we have increased the conditional grant for the Fuel Levy Fund from Kshs3.3 billion to Kshs4.3 billion. At the moment, we have new guidelines by the Kenya Roads Board (KRB) on the definition of county and national roads. I hope some roads will be left for the Constituencies Development Fund (CDF) in that arrangement. We should see an improvement in the roads maintenance in our counties. In my Tharaka Nithi County, in the sub-county and constituency I come from, I have not seen a grader, bulldozer or excavator from the county government this year unless we have ceased being part of that county. As we give money, my pertinent question is on implementation. We must have a Bill that directs the county governments on how to distribute revenue in the county equitably rather than leaving it at the mercy of the Members of the County Assembly (MCAs).

Lastly, on medical equipment, the national Government was reasonable to have sourced equipment for Levels 4 and 5 hospitals. The equipment is there but you will be surprised that it is just lying there. Governors use it to show people how hard they are working. We do not have the personnel to operate the equipment because the people we have are not properly trained.

The other day we had a serious case. A man was misdiagnosed with cancer. He had been going to a health club, observing diet by eating fish, avoiding excessive alcohol and causative factors of lifestyle diseases. He decided to change his lifestyle because he was told he only had six months to live. So, he decided to do all the things he never had an opportunity to do. Without going into details of how he changed his lifestyle, by the time he went back to the doctor to ask why he had not died, the doctor could not recognise him. He was now overweight, had diabetes and HIV/AIDS but did not have cancer. Even if you sue the doctor for misdiagnosis, how do you take back part of the life without mentioning that the man was now very broke since he wanted to spend everything before he died? With equipment and medicine, we need to have trained personnel so that we can take care of the lives of people. As we allocate this money to the county governments, they should not only emphasise on paying money for leasing of equipment but they need to hire trained personnel without looking at the county boundaries. My county, and it is not in bad taste, is known to have sent away doctors because they did not come from our county. You get good doctors from Kisumu County but do not hire them because they do not come from your county. You end up losing out. We should look at some of those things so that we can provide better services to our people. At the end of the day, when I go to the hospital with

an emergency, I do not even want to know the name of the doctor whether he is Otieno, Onyango or Njuki because I just want to get help.

With those remarks, I want to support the Division of Revenue Bill.

**The Temporary Deputy Speaker** (Hon. Cheboi): You had actually banked some three minutes before you took us into that story. That was a very lively debate. Member for Kwanza.

**Hon. F.K. Wanyonyi:** Thank you, Hon. Temporary Deputy Speaker. I want to thank you for giving me this chance. I would like to thank the Liaison Committee for bringing the Division of Revenue Bill much earlier than expected because it came late last year and the year before.

Hon. Temporary Deputy Speaker, I have three concerns. We all know in ordinary times that if you lease the house you stay in---The idea of the Government giving money to counties to lease equipment is deliberate and meant to increase corruption in this country. As other speakers had mentioned earlier, there are equipment that would be cheaper to buy for the counties. We have leased the equipment, we are not using them yet we are paying for them. It is not proper to do that.

Secondly, we do not have trained staff for any of the equipment. In my county, the Intensive Care Unit (ICU) equipment has been there for the last two years but there is no trained staff. What have we done? We are using taxpayers' money to lease equipment we are not even using. This is a source of corruption. This must be stopped so that we purchase equipment from Holland, China, Pakistan, India or Japan and use them. Leasing them is a source of corruption and we cannot stomach it.

On roads maintenance, they are saying that they are allocating an equitable share at a growth rate of 7.8 per cent. Maybe there is no growth in my county because we are allocating Kshs4.3 million on the basis of the growth of a county. I do not understand that. I think it is misplaced.

During the last regime of His Excellency Mwai Kibaki, I never heard of the International Monetary Fund (IMF) and World Bank. The current Government has borrowed so much on mega projects. When it comes to public-related costs, I am a worried person because I have been warned by economists that in the next three years, we will be paying these debts through our noses. The Division of Revenue Bill states that we are shifting from a more expensive borrowing internationally to a cheaper one. I thought if we are borrowing at a lower interest rate, then it would be cheaper but what is proposed in this Bill is that we are paying more, almost Kshs4 billion. As a parent expecting grandchildren, I am afraid we will have more problems in future. I am afraid we are going to have problems because we are mortgaging this country beyond our means. Let us live within our means. We were very comfortable with the previous Government. This Government is borrowing beyond its ability to repay. Therefore, I am not happy. To me, the public-debts related redemptions and interest rates speak volumes. They are mortgaging our grandchildren and the future generation of this country. This must be looked into. Let us generate money from within. That is what retired President Kibaki did. We got money from within. He increased taxes. The Income Tax was increased and we had nice funding. We are borrowing left, right and centre and paying through our nose. I am disappointed.

I have no problem on item no. 1 but this House should discuss the modality of the National Youth Service (NYS). We should move these funds to the security sector because I do not understand what NYS is doing. From what we have seen, there is corruption in that Ministry. Whoever comes will learn from the previous holder of the office. Therefore, I think this money is misplaced.

I also agree with Hon. Richard Onyonka, who talked about the funds that have been allocated for old persons. We should also increase these funds because people out there live longer. In my constituency, people come to me to ask when they will be paid. They also claim that they have been left out. We have so many old people now. This Kshs14 billion should be doubled. Money should be removed from NYS. Let NYS join security operations so that this money can increase to Kshs20 billion and cover more people. This is because we have many old people out there having problems, including our fathers who looked after us. So, this fund given to the old people who are 65 years old and above should be increased to take care of more people in our constituencies.

I do not see the political parties fund in this Bill. I expected it to be in Table 2. It is not there. Given that there is a lot of national interest out there, this House, particularly the Public Accounts Committee (PAC), should start looking at ways and means of auditing some of these civil servants. I know a simple clerk at the county who has put up a three storey building. The landscaping will tell you volumes. So, it is time for us to oversee and audit some of these civil and public servants because they are living beyond their means. The money going to the NYS and the counties is being siphoned.

Last but not least, I want to talk about the money given to the county to do repair and maintenance of roads. I do not think this money should be given to the counties. Let it be given to the Kenya Rural Roads Authority (KeRRA) and the Kenya Urban Roads Authority (KURA) to deal with roads. In my area, I saw the county officials showing the auditors from Nairobi a road which they claimed to have done yet I am the one who did it. The roads that the counties are supposed to maintain are in a bad state. Adding more money to the counties is just increasing corruption. All they will do is give tenders to their sycophants and we will not be doing this country any service at all. So, this money given to counties for roads maintenance and repair should be given to the two agents, KeRRA and KURA, which have been doing a good job.

With those few remarks, I thank you for the opportunity. I do not support this Bill.

**The Temporary Deputy Speaker** (Hon. Cheboi): Hon. Grace Kiptui.

**Hon. (Ms.) Kiptui:** Thank you, Hon. Temporary Deputy Speaker. I also rise to support the Bill on revenue allocation between the two levels of Government of Kenya. To start with, we hear a lot of complaints and cries from the devolved systems of this country saying that they do not have enough money and yet when you look at the percentages, there is a progressive increment such that there should not be such complaints. What we should hear is the use of that money and also how much money they are collecting at their own levels.

Devolution was a celebrated event in this country when we passed the Constitution in 2010 but when it comes to money, we have devolved corruption. When you go to the countryside, you find a lot of duplication. This money should benefit the common citizens to whom all this money that is being devolved goes. The cry we get is that it is benefiting a few people – the managers and their colleagues and friends.

There is also the issue of duplication of services. The devolved systems pride themselves for having done water or road projects. The national Government will also say the same thing until it reaches a level where priorities are misplaced. I really cry and mourn for the day our judicial system ruled against the county management boards that we wanted to set up. Had we succeeded, they would have provided some checks and balances. They say that power corrupts and absolute power corrupts absolutely. The governors are now on their own and have their own systems of doing business. They do it and they are law unto themselves. In that respect, they can

do anything. The Senators have not been given money to visit the counties and see what is happening. I am glad that now that we have given them some money, they will be able to have extra oversight.

The county assemblies have not been able to oversee the executive arm of the county governments. We hope that the Senators will now control that to some extent. I am happy about the leasing of the health equipment. In the past, people used to travel very long distances in search of equipment like scanning machines. In Baringo, you will find people headed to Eldoret or Nakuru to look for simple procedures like scanning machines. We are glad now that the Government of Kenya has leased equipment that will screen cancer and do dialysis. They will assist a lot. Right now we find many people suffering from sugar-related diseases. On the issue of dialysis, it is better when machines are closer to the *wananchi*. In our county the machines are in Kabarnet Referral Hospital and in Eldama Ravine. This is very good because it reduces travelling expenses. When people are sick, like when they have sugar-related issues, ferrying them up and down or travelling long distances from home for dialysis makes them suffer because after the procedure they get very exhausted.

The leasing of the equipment is good. In the past, government agencies used to buy the equipment but because of corruption - I understand that the technicians would mess up with the machines in public hospitals while their friends' around the corner would be working and they would send patients there. By leasing them, you tie the supplier to the maintenance of the machine. In that respect, we may not see many of them breaking down because it is part of the contract that they have to maintain the equipment.

The money that has been provided for free maternity is a plus to the Executive. The reduction of mortality rate and even the suffering of the women has gone down. We now have an increase in the number of babies delivered in health institutions. Women of this country are a happy lot because of this.

The Kshs6 billion Equalisation Fund had become a thorn in the flesh. The money had been promised, budgeted for but there was no release of the same. I am happy that we now have Kshs6 billion going to the Equalisation Fund and the fact that it has now been given to the constituencies instead of lumping everything in the hands of governors is a good thing. At least, let us spread the risk so much that we may get common people benefiting from this money.

Money for old persons is another aspect that has excited the common people. So many others are complaining that they have not been included in that bracket. There is even a delay right now because when I go home I find so many old people going to the social department offices and they sit out there waiting for the money. The Government needs to speed up the disbursement of that money. This is a good thing because older persons are able to buy food or medicine. At that age, diseases are common. The mode of payment is another thing. They have to travel far to the county or district headquarters to look for the money. The amount of money used in going and coming back may have a net effect at the end of the day. So, we better improve the delivery of that money closer to their abode.

The issue of monitoring the money that is devolved is a very serious one in this country. If things continue the way they are, we may end up creating a devolved system that consumes so much money and at the end of the day the country becomes poorer and poorer.

I fear that this country may soon have financial challenges because of the level of debt.

Thank you, Hon. Temporary Deputy Speaker. I support.

**The Temporary Deputy Speaker** (Hon. Cheboi): Member for Turkana North.

**Hon. Nakuleu:** Thank you, Hon. Temporary Deputy Speaker. First and foremost, I wish to state that the Division of Revenue Bill recognises the existence of two levels of government upon which the national collections are shared. The challenge we are facing as a country is lack of proper and efficient utilisation of this money to ensure that it is spent for the intended purpose.

Clause 6 of this Bill gives general provisions which emphasise on dispute resolution before instituting court proceedings which include provision of liability on public officers. You realise that most of the cases lying in courts arise out of liabilities or problems caused by public who are serving in counties. This arises as a result of their negligence, not following procurement procedures and rent seeking behaviour. In a nutshell it makes the county governments to spend public funds on litigation processes other than service delivery.

Allocation to counties has significantly increased from Kshs190 billion in the 2013/2014 Budget to Kshs302 billion. This increment is extremely significant. Any financial increment in allocation must be accompanied by equivalent or marginal increment in service delivery. But what is happening is the reverse. There is no corresponding increment in service delivery which is commensurate to the amount of money allocated. Therefore, the Auditor-General's Office must try to reconcile between the two disparities.

*[The Temporary Deputy Speaker  
(Hon. Cheboi) left the Chair]*

*[The Temporary Deputy Speaker  
(Hon. Kajwang') took the Chair]*

Devolution as intended has not met what it was meant to achieve. Devolution of resources has ended up devolving corruption. That is why if you look at most officers working in the counties and the amount of resources at their disposal, which they own, it is extremely unrealistic. Therefore, this calls for a lifestyle audit to ascertain the sources of the money and the resources that these people have.

What is also evident is the diversion in revenue allocation. The amount of money collected by counties in form of revenue, much of it does not go the public or the consolidated fund account. Several counties have decided to open parallel accounts which are operated by their own assistants. Therefore, this constitutes a major leakage in government revenue collection. The Office of the Auditor-General must look for a way of sealing these loopholes.

The health sector in the entire country is at the verge of collapsing. Therefore, there is need to move very fast and save the situation. When you look at a county like Turkana, Lodwar County Hospital is almost collapsing. When you rush a patient there, they may hardly get sufficient attention. In the recent past, two people lost lives because of negligence. The hospital could not get oxygen for them. Therefore, there is need for the Committee on Health from this National Assembly to pay a courtesy visit to ascertain the state of Lodwar County Hospital. This is because the men manning the counties have turned themselves into contractors. They are the ones who do virtually all the contracts that emanate from the Ministry of Health. This compromises their abilities to manage these services effectively.

Hon. Temporary Deputy Speaker, my last point is on public debt. The Kenyan public debt has reached intolerable levels. The rise of the public debt from Kshs362 billion in the Financial Year 2015/2016 to Kshs433 billion in the current financial year is unwarranted. Any



borrowing must be accompanied by appropriate or corresponding investment expenditure. A country moving towards 50 per cent of the Gross Domestic Product (GDP) as an allocation due to an outstanding public debt is unwarranted. Therefore, Kenya could be out for auction.

I urge the Executive and Parliament to rise to the occasion and find a way of containing public debt. It is getting to unbearable levels. As the National Assembly, in conjunction with the Senate, we must come up with a law to make county assemblies autonomous. Making them autonomous will make them more efficient in exercising oversight over county funds. Because the county assemblies are not autonomous, they are at the mercy of the governors who will want to hoodwink them to support their agenda. Therefore, the agenda of devolution will collapse.

With those few remarks, I support.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Member for Turkana North, what is it that we need to do to make county assemblies more autonomous than the Constitution has done?

**Hon. Nakuleu:** Hon. Temporary Deputy Speaker, as it stands, county assemblies do not have direct control over their expenditure.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Should they have direct control over their expenditure? Do we have direct control over our expenditure in the National Assembly? Is it not just our role to do the Budget and the Executive's role to do the spending?

**Hon. Nakuleu:** Hon. Temporary Deputy Speaker, I wish to inform you that the National Assembly and the Senate have fought a very big war to reach where they are.

The county assemblies have to seek approval from the County Executive, which is the Governor's office. That compromises their ability to oversee the same officers. That is why there is a Bill before the Senate to make county assemblies autonomous so that they can control their financial destiny.

That is my point of argument.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Member for Kacheliba.

**Hon. Lomunokol:** Thank you, Hon. Temporary Deputy Speaker, for giving me the opportunity to contribute to this important Bill. I rise to support it though I am to some extent a bit disappointed by the reduction of budgets of projects which are of national interest. This will not only affect the economic development of the country but will also affect the realisation of Vision 2030. The reduction of the budget for these projects from Kshs79 billion to Kshs71 billion is a point; it is of concern to this country. We should be moving forward in our Budgets so as to give us comfort that the country is moving in the right direction.

However, I appreciate the enhancement of security operations in this country that has seen the rise of the allocation for that purpose from Kshs17 billion to Kshs18 billion. This will ensure that our men and women in uniform get modern equipment and weapons that will not only match the strength of our enemies but also be used to defeat our enemies.

Hon. Temporary Deputy Speaker, I disagree with the allocation of money to the National Youth Service (NYS). In my view, this money ought to have been channelled to other important public programmes like the Affirmative Action Social Development Fund to ensure that this money goes into viable projects. Money allocated to NYS in the current financial year has been looted and squandered. We are repeating the same mistake. I understand that there were projects to be taken by the Ministry of Devolution and Planning, through the NYS. The projects included water pans which were to be prepared in the respective constituencies. The projects were not implemented because the funds were diverted to other uses. That is why I say that all the monies

allocated to the NYS should have been shared out to the National Social Safety Net, the Constituencies Development Fund (CDF) and the Affirmative Action Social Development Fund to avoid further misuse of public funds.

*(Applause)*

I do not understand why the statutory allocations that I have mentioned should be reduced from Kshs37 billion to Kshs36 million, especially noting that a fund like the CDF is the only devolved fund that has produced results in the respective constituencies. The allocation to this Fund ought to have been increased instead of being reduced.

I also appreciate the proponents of the Division of Revenue Bill for having considered including the Equalisation Fund (EF) in this Budget. This is a Fund which has been created by the Constitution of Kenya, 2010 yet these funds have not been utilised to date. The money has been lying idle at the National Treasury yet there are a lot of disparities in this country in terms of development. Some places are yet to catch up with the rest of the counties. It is for that reason that I appreciate those who saw it fit that this Fund be utilised this time round. I call upon this House and the Senate to consider sending this money directly to the constituencies because a lot of the funds that have been sent to the counties have ended up in the wrong hands. They have been misused. I am afraid that this money may not bring the much needed equalisation in the targeted counties, if we do it in the same way.

Finally, I would like to propose that monies meant for development in the Financial Year 2016/2017 should not be disbursed to the counties, noting that individuals in those entities are waiting eagerly to divert these funds for their campaigns through corruption.

With those few remarks, I support the Bill.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Thank you very much. Member for Belgut.

**Hon. Eric Keter:** Thank you so much for giving me this opportunity to air my views on this important Bill. About three years ago, this country experienced some challenges with regard to the implementation of this Constitution. At the beginning the idea of the new Constitution was good but we need to take stock of what has happened.

In the field of health, there are so many challenges which we are regretting. If you go to the grassroots of our constituencies, there are so many problems pertaining to provision of medicine. There are problems relating to the personnel in dispensaries and health centers. It is my view that this House looks critically into this issue because we are suffering as a nation.

We have heard Members talking about what is being experienced in Lodwar and other areas. Hardly does a week pass in my constituency without being told to buy medicine or there is no personnel. I think we made a very big mistake. We have to review and see how best we can save this country. This is not a problem for the county; it is a problem affecting the entire country. Health is the first priority because we cannot talk of roads, education or water without minding the health of an individual.

So, I am of the view that we have to make changes. Whereas I totally applaud the Government for disbursing Kshs4.1billion for Free Maternal Health Care, I am of the view that the transfer of this money should not be automatic to the county governments. This is because, there are some cases whereby this money cannot be utilised properly and the services are below average in some counties. The issue of conditional grant to facilitate the leasing of medical

equipment, of Kshs4.5 billion is commendable. However, there should be ways whereby in the long run the same equipment belongs to the institution so that we do not continue leasing for years.

There is a grant of Kshs4.3billion for maintenance of roads. The other day we were told that roads will be transferred to the county governments. I am of the view that we should not transfer this vital service. It is very difficult to explain to our people in our constituencies that this service has been transferred to the county governments. County governments have got so many challenges. Transferring some of these services to the counties when they are in a situation where they cannot implement well all those services, is questionable. I am of the view that we look into this issue seriously. If possible and if it is a must that we transfer them, I prefer that we transfer them to Kenya Rural Roads Authority (KeRRA) because they are better handled that way.

If you look at the Budget and see how these funds have been used in the counties, about 70 to 75 per cent is used for recurrent expenditure. About 20 to 22 per cent is used on development. What was the essence of disbursing this money? Are we trying to employ more people? Was our objective to have as many people employed in various counties? This is questionable and as a country we cannot move forward in that direction unless we have a way on how we can improve development in various counties.

Finally, on the issue of local revenue collection, every county should have ways of improving their own local revenue collection so that they do not depend much on what the national Government gives. If we go that direction, we are killing two birds with one stone.

We are allowing the governors and executive at that level to go and search for more money to boost their income. Issues of governors mismanaging this money is another concern. In some counties, you will find a governor engaging the county in court cases which are irrelevant to the people and are not vital to the extent that a lot of money is wasted. So, I do not know how best this can be avoided. I want to plead with the Senate that they move closely to these counties and see how this money is being used and how the governors should be advised to properly use this money, otherwise I support the Bill.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Good. Let us have the Nominated Member, Hon. Bishop Mutua.

**Hon. (Bishop) R. Mutua:** Thank you, Hon Temporary Deputy Speaker for giving me the opportunity to support this important Bill. At the outset, in Kenya several years ago, we used to hear that projects could not be done and services could not be delivered because funds were not available. It used to be a common answer that they shall be done when funds are available. Now the funds are available and the services are not flowing. What is missing? Is it vision? Is it capacity? What is wrong?

I think it is about time Kenyans stopped being suspicious of each other and engaged in service delivery at the county level. Many counties have engaged a defensive mood. They spend more time and resources defending themselves instead of delivering services.

In this Bill we are seeking to increase the revenue that is going to the counties because we want to see increased services that are being enjoyed by the citizens. Therefore, I would like to request the Senators to work closely with the county governments playing the necessary oversight role so that county governments can deliver their mandate within a very efficient and effective system. Currently, our cost of delivering services is quite high. There is a lot of wastage

and a lot of funds are misappropriated. This cannot be allowed to continue since county governments and their units are our center of service delivery.

I am grateful to see that there are additional grants going to counties particularly in respect to health. In the recent past, our health services have deteriorated so much that we have reached a state where people are worried about what they are going to do. The most important thing for us to do is to allocate funds, but more than that, to have those funds applied appropriately so that we can have personnel that are capable, sufficient and able to work. Soon, we are going to have personnel within some of the Level 5 hospitals that are discouraged, demoralised and lamenting. This kind of a state must be addressed by all of us. Particularly, the county governments need to address that aspect so that we can have our medical personnel getting encouraged and motivated to offer services.

The issue of having machines and no medicine and personnel is very serious. We cannot have equipment that we can see, touch and feel, and have services that we cannot access. This is not proper. Unless something went wrong at the procurement level where things were not properly planned, we must make sure things are working. This equipment cost the Kenyan taxpayer a lot of money.

It is quite important to realise that when it comes to allocating resources for social security and safety net, it is important to bring on board people with disability. At the moment, there are just a few being identified here and there. The county governments have not taken the initiative to come up with appropriate data on the number of people living with disabilities within their counties. Therefore, they are not planning for them. They are not allocating sufficient resources for these people. Therefore, when we say we have only allocated Kshs14 million and it is supposed to cover the elderly, child welfare and disability, that is inadequate and cannot benefit Kenyans. So, we need to relook at that kind of allocation. Particularly, we need to come up with data that is accurate and reliable so that our people can access this service.

You realise that the special units within our schools are in a deplorable state. They are poorly equipped. If you go to any school that has a special unit, you will wonder whether it is a school or a torture chamber. We would like to see those special units properly equipped and designed so that children who go there access quality services and education. They should not be treated as an attachment to the mainstream school. This again, needs to be addressed as they receive this additional funding.

You realise that devolution was supposed to address the issue of inequalities. For many years, there was a lot of inequality that was being exercised in the national Government through the central financing and planning system. Now that the finances are going to the counties, it is high time this Parliament and the county governments observed closely how the funds are being applied towards removing inequalities which still exist. Sometimes we hear that all the schools have got electricity but if you go to the counties, you find that some schools do not have electricity up to now. What they have are posts that have been erected, wires put there but the lights are not on. They cannot access electricity and power yet we are now moving on to introducing the laptop project. What will happen to these schools? They will continue to lag behind and they will continue to be told they are going to be given solar power.

When you give solar power to a school, you have denied the people around that school the ability to tap power and do some simple business like welding that they can access. So, it is not important to put solar power, it is important to make sure that all our schools get electricity. The community around can also benefit from this. This is another issue that we need to address.

The issue of fiscal capacity and efficiency of county governments in collecting tax and accounting for it is quite urgent and important. We cannot continue to say that they have no capacity and are not prepared yet money is being collected. There is no county that is not charging some kind of taxation to some services yet these funds are not properly accounted for. So, the time has come for us to say every revenue that is collected either by the national Government or the county government must be properly accounted. We cannot allow people to collect taxes and use them the way they want without proper accountability.

So, this Revenue Allocation Bill must address itself to those issues for proper accountability. We want to see Kenya moving forward. We want to see Kenyans enjoying the services. That is the purpose of increasing funds to the counties. Otherwise, there is no point to increase if we are not going to enjoy.

Thank you.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Member for Bomet Central.

**Hon. Tonui:** Thank you, Hon. Temporary Deputy Speaker for this opportunity to support this Bill. This Bill is very critical in ensuring that both the national Government and the county governments function and are also facilitated to enable them make their budgets so that they can spend this money in time.

We need to support devolution. This Division of Revenue Bill is a key Bill which tries to support the idea of devolution. This amount of money which we are allocating to county governments which we have adjusted from Kshs287 billion from last year to Kshs302 billion, is in the right direction although I wish that we had maintained that figure which was arrived at by the Commission on Revenue Allocation (CRA) so that we devolve more resources to the counties. I believe there are some certain key functions which are handled in the counties better than in the national level, especially when it comes to the health sector.

I have heard many Members complaining that the issue of health is deteriorating in the county governments. Previously, even where Jimmy comes from, the Kisii Level 5 Hospital was like a dumping ground for patients. Beds were not even there. There was nothing. Currently, there are beds and better services especially at the dispensary and the health centre levels. Previously, under the national Government, this was poorly managed because health officers who were in the dispensaries and health centres were power unto themselves; they were not supervised in any way. Under the county government, at least there is a Member of County Assembly (M CA) there. People can easily go and report that today there was no one in the dispensary or the health centre. Previously, they used to report around Wednesday and by Thursday they had left. That one is much better function.

I am also happy that we are allocating some conditional allocation of about Kshs6.3 billion to the counties for village polytechnics. This is also a move in the right direction because we require certain skills. We need to empower our people to be self-employed. So investment in terms of training and education is critical. I wish that even us in the national Government did something in terms of education. It is unfortunate when we see the budget for education being reduced. The real place where we need to invest our money is in education; in recruitment of more teachers because some schools especially the CDF-initiated schools have only one teacher. What kind of education do you expect from those schools? How will they compete with well-equipped schools with adequate teachers? We need to invest by putting more funds in the Teachers Service Commission (TSC) and the Ministry of Education.

I am happy that we are also discussing this Bill, which is a product of consultation between the two levels of Government. The spirit of consultation is very important. We need to nurture it because this is public money. It belongs to all of us; it does not belong to an individual. So, I appreciate the idea of consultation, which produced this Bill. I am also happy that we have allocated conditional grants amounting to Kshs5.2 billion to the counties for emergencies. We need to have checks and balances to ensure this money is not squandered, especially given it is not going directly to development. It is going to recurrent expenditure. It is going into certain kitties that can easily be manipulated and expose the money for pocketing. We need to tackle some of these issues.

I am happy that in this allocation, we have captured the issue of construction of county headquarters. I come from Bomet County, where we do not have a county headquarters. The Office of the Governor is supposed to be my CDF office. He grabbed and took it over. That is what he is using. I believe that out of the Kshs4 billion that has been allocated for construction of county headquarters, Bomet County will be given first priority to put up an office. The former older districts already had district headquarters but Bomet County was unlucky. It did not have a district headquarters.

On the issue of misappropriation of funds, Bomet County was given Kshs61million for construction of offices but the money was squandered without a single office being constructed. That is why oversight is a critical part of disbursement of monies. We should not be disbursing monies without oversight.

I am happy that we are also dealing with the issue of devolved staff. We have allocated Kshs5.196 billion to take care of them. In some counties, the staff members of the national Government who were devolved with the counties are being considered orphans. Whenever I go to my county, I see most of them being mistreated. In fact, some of them have filed court cases. Some of them have been denied salaries from the national Government. With this allocation, they will be taken care of. Nobody will mistreat or discriminate against them.

The county governments need to be encouraged to adopt the same standards of employment as the national Government. This idea of recruiting staff in the counties on a two year contract is meant to make them sycophants of the governors since they do not have job security. That issue needs to be dealt with to ensure that those employees are confirmed as permanent and pensionable, so that they can apply professionalism as they serve in the counties.

As we discuss these allocations, we should not forget that the major issue that we have in this country currently is corruption, which exists at both the county and national Government levels. The national Government is excelling in terms of embezzling funds allocated to the NYS and the Youth Enterprise Development Fund – a fund which is so critical in creating employment for our youth. It is unfortunate that the same fat cats in the national Government are looting it. The little money that we have devolved to the counties is also being looted. The top leadership in the counties is looting these funds. I come from a county where the Governor is professionally a procurement officer. He is the chief procurement officer and the procurement committee only comes in to rubberstamp his decisions. Where you have the relatives of the governor involved, even when it comes to construction of roads, they take 70 percent of all the contracts. That is why some fellows who just the other day used to contribute Kshs10,000 at fundraisers, suddenly contribute between Kshs300,000 and Kshs400,000 at several such fundraisers in a single day. That is because of the looting that is going on in the counties.

There are some counties which are doing so well. One such county is my neighbouring county of Kericho, where they have devolved the issue of roads. They are constructing roads all over and murraming them, while in my own county there is no single road that is currently being murramed by the county government. These are the issues that need to be addressed. We need to set certain standard for benchmarking by neighbouring countries.

I am happy that we are also allocating 15 per cent of the Fuel Levy Fund to the counties so that the road network can improve. I hope that, as a House, we will not kill the idea of having KeRRA and KURA so that we can supplement in the improvement of road; otherwise, we will be irrelevant as Members of Parliament. This one needs to be combined with the CDF. Because of that big problem that is created by the Constitution, these funds must be conditional allocations to the CDF so that we can deal with the small village roads, where you need to construct two-kilometre or four-kilometre roads in certain villages to improve access. Who is closer to the people on the ground? Is it the County Executive or the Member of Parliament? That is why the issue of KeRRA needs to be addressed---

**The Temporary Deputy Speaker** (Hon. Kajwang'): Member for Kitutu Chache North.

**Hon. Angwenyi:** Thank you, Hon. Temporary Deputy Speaker, for giving me a chance to contribute to this important debate. The National Assembly has allocated a lot of funds to our counties. The requirement by the Constitution is 15 percent of the national Budget but we have more than doubled that to 32 percent as of today. Unfortunately, we cannot see anything coming out of the money that we allocate to the counties. I can talk for my county. We have given them an average of Kshs6 billion a year for the last three years but there is nothing to show for it. If a tenth of that money was given to the CDF you would see development in that county.

I know that we all enacted the Constitution and said we wanted to devolve services but I do not think the intention was to devolve everything to the counties and leave the national Government with no function to partake. Recently, governors went to court to try and stop the national Government from constructing and maintaining roads in their counties. That really affected some of us because some of the works on roads being done were blocked. There are many kilometres of roads in our constituencies that are not being done by the national Government, which are supposed to be done by the county governments, but they are not doing it. I had a case on the day the judgement was made, affecting two of my roads. I went to a church in my constituency through one-and-a-half kilometre road that the county government pretended to have constructed and I got stuck there for two hours. They were not able to do a good job on one-and-a-half kilometre road. How can they do a hundred-kilometre road?

The other service we have devolved too much is health. Because of the way our county governments have treated health professionals, they are not willing to serve there because they are not happy. You find that a county does not have health professionals. They come from other counties and yet, they are mistreated while providing those essential services to the people of Kenya. The Constitution refers to referral and non-referral hospitals. I wish the National Assembly and the Senate could come up with a Bill that designates all referral hospitals to national hospitals and all primary facilities like dispensaries and health centres to county hospitals. That will give Members of Parliament a job of overseeing the provision of that service to our people. Right now, it has been left to Members of County Assemblies. We provide them with money and ask them to oversee it. Do they care? They know they will get the money anyway because the National Assembly will give them even if they do not perform.

Another aspect we must consider is agriculture. Where I come from, we have got two major cash crops - tea and coffee. I have not seen it happening elsewhere other than in my own county, where agriculture has been devolved and yet, it cannot be maintained effectively by the county government. There is a lot of theft of coffee in Central Province and Kisii County. Many tea factories are going under because they cannot be maintained. We must look at those important aspects of our economy and see what functions need to be brought back to the national level for oversight and effective provision of services.

We give money to the counties, but do you know how much they realize locally? Why can we not first ask them to provide how much they generate locally, so that we can balance out how much we should give them and for what purposes? Maybe, our budget should be programme-based. For example, if we give Kisii County money for health, we must ask them if they are going to construct Marani Level 4 Hospital or whether the money is for recurrent expenditure. If it is for recurrent expenditure, we should know how many people are going to be paid. If it is for development, we should know what development projects are going to be undertaken.

I am not opposed to devolution of services, but we must be careful so that we do not sink this country economically. Recently, you have seen nearly every county has been involved in corruption. We do have corruption at the national level too. We must also be concerned about corruption trickling down to the grassroots, such that our own children would now think corruption is a good thing. For a service to be provided by a worthy administrator such as a village elder, assistant chief, chief, Assistant County Commissioner or anyone trained to provide administration, why should they be bribed and yet, they are paid salaries to provide those services?

It is unfortunate that the *Okoa* Initiative did not do well enough. We could have used it to rectify some of those situations. Hon. Temporary Deputy Speaker, since you are lawyer, I am begging you to bring a Bill here so that we can enact law on referendum. I understand even if it would have gone through the Independent Electoral and Boundaries Commission (IEBC), it could not still have been implemented because we do not have a law which implements referendum. We must address some of these issues for our country to move forward.

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

**The Temporary Deputy Speaker** (Hon. Kajwang'): Thank you. I hope the following children are still in the Public Gallery. Let me recognize students from Good Testimony Junior School, Embakasi East Constituency, Nairobi City County. They are seated in the Public Gallery.

Member for Mathioya.

**Hon. Wambugu:** Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to briefly contribute to this Bill. I support this important Bill because we have the national Government and the county governments. I believe that, as a county, we are headed in the right direction.

With all the funds that we are pumping to the counties, we are expecting better services in roads, water, agriculture, health and other sectors. There are some areas that I would like to point out because some of them are mentioned in the Bill and are of great concern to our people. The formula that has been used here and is stated has already lapsed. I am worried that somebody might even go to court to say it is not valid because it lapsed in 2015. We are



discussing the Division of Revenue Bill, 2016. As Parliament, we need to move very fast and come up with a proper formula.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Every financial year, that Commission lays a report before the Assembly, detailing the formula by which the division of revenue will be done unless, that passed you, Member for Mathioya.

**Hon. Wambugu:** That is what I mean. We need to expedite so that we are in line with what we are discussing.

**The Temporary Deputy Speaker** (Hon. Kajwang'): I am saying that was done. It must have escaped you.

**Hon. Wambugu:** Thank you, Hon. Temporary Deputy Speaker, for that advice. I note that there has been growth in the allocation of revenue from the threshold of 15 per cent to almost 32 per cent. I am also expecting it to grow further when we come to the revenue of 2016/17. Like we have discussed, these figures are looking a bit low because they are based on the audited revenue accounts of 2013/14. We have noted the good performance of the Public Accounts Account that is headed by Eng. Gumbo. But for us to get the most current and up-to-date information, we need to look at the bodies that give us information. The offices of the Auditor-General and Controller of Budget give us reports every year. It is high time we started looking seriously into those two bodies to empower them and even give them better funding so that they can start more and better equipped offices at the county level or even preferably at the sub-county level.

Everybody who has stood before the Floor of the House has been talking about corruption. This is a very grave matter because we have discussed it in all Parliaments. Even in the last parliament we discussed about it but it looks like there is nothing being done. Unless we change some of our laws we might never fight this monster called corruption. I am expecting the President in his State of the Nation Address next week to declare corruption a national disaster so that we look for better measures of dealing with it.

In this country we always talk of sharing and collection of revenue. We have not seriously thought about or engaged ourselves in thinking of ways of generating more revenue so that we can share out more to our counties.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Sorry, Member for Mathioya. What is out of order Member for Nakuru Town East?

**Hon. Gikaria:** Hon. Temporary Deputy Speaker, I would like to make a clarification. The Hon. Member has just alluded that the revenue sharing formula lapsed in 2015. When I look at my Bill on page 16---

**The Temporary Deputy Speaker** (Hon. Kajwang'): Are you giving information?

**Hon. Gikaria:** Yes.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Member for Mathioya, Member for Nakuru Town East is on his feet to give you information. Would you like to receive some information from him?

**Hon. Wambugu:** Anytime, Sir.

**The Temporary Deputy Speaker** (Hon. Kajwang'): You may proceed.

**Hon. Gikaria:** It is just a clarification. The Hon. Member of Mathioya alluded to the fact that the formula has lapsed. Somebody may go to court and say that. I tend to agree with him. You have just said that the formula was changed, it might have skipped your attention. Page 63 of the Division of Revenue Bill says that the formula lapsed in 2015 and the second formula for

sharing revenue among county governments awaits Parliament's approval. You had alluded to the fact that Parliament had already approved that formula. He was moving in the right direction and it is important for us to know whether or not the formula for sharing revenue has been approved by Parliament. That statement is found in the Division of Revenue Bill, on Page 63, Item 16 of the Appendix, under the topic 'Economic Disparities Within and Among Counties and the Need to Remedy Them' in the fifth last sentence.

**The Temporary Deputy Speaker** (Hon. Kajwang'): That is the issue. There is a report by this Commission and the question is whether the National Assembly has acted on it. You say that the formula is awaiting our approval. As far as I am aware, this Commission must have placed a report before the House for approval. In that view therefore, it is not a problem of the Commission. It is something that we need to pursue as the National Assembly.

**Hon. Gikaria:** I agree with him that we need to fast-track this.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Proceed, Member for Mathioya.

**Hon. Wambugu:** Thank you, Hon. Temporary Deputy Speaker. He was just trying to further explain what I meant. We will wait for that report.

For a long time, we have been discussing and talking of collection of revenue and sharing of the national cake. As a country, we need to put measures in place to look into areas of generating more revenue. The fights that we have had in this country have been because of scarcity of resources and revenue. We need to start thinking seriously of investing in areas where we will get more revenue so that we give more to our people.

With regard to the issue of corruption, I would expect that next week, when the President gives an address to Parliament, because of the issues that we have had of late on matters of corruption, he should declare corruption a national disaster so that we start looking for more drastic measures to deal with this menace. Though we allocate a lot of funds to the counties, it is a matter of great concern because most of these funds are not visible. Remember some time back about two years ago, we talked of having a county projects coordinating committee which failed to sail through when it was taken to the Senate. We need to revisit that.

As I conclude, most of the funds that we are giving to the counties are conditional grants. There is a very funny clause in all of them. We are giving them these funds in order to compensate them for costs incurred for rendering services and compensate county governments. A few years ago, we had the export compensation plan which created a very serious issue namely, the Goldenberg scandal. Are we going in the same direction? People can come up with claims that they offered services to counties which cannot---

**The Temporary Deputy Speaker** (Hon. Kajwang'): Let us have the Member for Alego Usonga.

**Hon. G.W. Omondi:** Thank you, Hon. Temporary Deputy Speaker for giving me the opportunity to comment on this Division of Revenue Bill. While I support the Bill, I will make observations.

There are certain things that we really need to look hard at in the Division of Revenue Bill namely, the money that goes to the counties or to the national Government. Some of the things that concern our country very much seem not to be addressed in the Division of Revenue Bill. First of all, we need to see in the Bill the outcome of the previous allocations. What did it do? Where did we reach with the previous allocations?

Second, is the issue of low absorption. We keep giving money every year and we are told that the absorption of the capital expenditure is 30 to 40 per cent. This is affecting our growth. It

is high time these were addressed in the Division of Revenue Bill and reported to Parliament. Putting all those together, we should be told in the Division of Revenue Bill how the counties are growing. We are given estimates of the growth of the national economy but we are not told how the counties are growing. We need to see these figures. We need to see this data so that before the money is given, we have this information which can inform whether the money is given or not.

The third area is that we seem not to be addressing our debt problem adequately. The Cabinet Secretary for the National Treasury keeps telling us about the sustainability of our debt. They seem to be relying only on one statistic which is the debt to the Gross Domestic Product (GDP). That is very narrow. One may ask what it is we are earning in our export to pay for this debt. If he looked at that global picture, he would then be able to tell us whether the debt level that we are currently running is sustainable. Various economists say that Kenya is not looking at the manufacturing industry seriously. We seem to be growing our economy through services and consumption but we are not looking hard at our manufacturing industry, which will eventually grow this economy and produce exports that will earn foreign exchange and pay our debts.

The fourth thing that is not being addressed very seriously in the Division of Revenue Bill is corruption. If truly corruption was being addressed, we would not see any funds being allocated to the National Youth Service (NYS). There is a mega corruption in this department that is not being addressed but money is still being given to this department. The question that one needs to ask is whether we are really serious in fighting corruption. Still on corruption, it is an open secret that nearly 80 to 90 per cent of our counties are very corrupt.

Hon. Temporary Deputy Speaker, the Ethics and Anti-Corruption Commission (EACC) is not doing anything. You only hear that they raided a governor's office but you do not hear of the outcome the following day. You even see the governor talking to them. It is high time we engaged *wananchi* in controlling corruption at the county levels. We need to come up with a formula where funds allocated are first held until *wananchi* start making noise. The explanation for doing so would be that we cannot give them funds because of corruption allegations in a particular county government. This will help the Government in fighting corruption.

I support but some of those things need to be looked into.

**The Temporary Deputy Speaker** (Hon. Kajwang<sup>3</sup>): Member for Ol Kalou.

**Hon. Kiaraho:** Thank you, Hon. Temporary Deputy Speaker for giving me this chance to add my voice to this important Bill. At the outset, I stand to support the Bill although it has its own small misgivings. In the entire Bill, there are positive strides which is a clear indication that the Government is committed to devolution and making all efforts to ensure that the Kenyan populace is reaping maximum profit from the national kitty. This is indicated by various factors. Some conditional grants proposed have paramount importance, for instance free maternal health which is getting about Kshs4.1 billion. We also have conditional grants to facilitate leasing of medical equipment, facilitate services in Level 5 hospitals and for Fuel Levy Fund.

Of particular interest is health which is a major challenge to our people at home. Every Member of Parliament in this House has faced and continues to face challenges by our populace who come to us with complicated medical cases. The fact that most of these facilities will go closer to them will reduce what they spend to access health facilities thus making a lot of difference.

We now have new classification of roads where roads in Category 'A', 'B', 'C' are proposed to remain within the national Government and roads in Category 'D' onwards will go

to the county governments. Infrastructure within our individual constituencies is a major challenge. For the various county governments to keep to the standard that we expect, the conditional grant of Kshs4.3 billion is well timed and it will come in handy to help the various county governments.

Out of past experiences, most of our governors are diverting most of these funds going to various counties into their personal monies. This has been seen in various counties. It is time we pushed the Senate to take their rightful position because it has been given the responsibility to oversee various county governments so that they come with strict and stringent measures to ensure monies allocated to various counties are used for the various intended projects.

The Commission on Revenue Allocation (CRA) had come up with a proposal *vis-a-vis* what the National Treasury is stating. Of particular concern to me is the additional conditional allocation for construction of county headquarters of Kshs4 billion proposed by CRA which was supposed to benefit Tharaka Nithi, Lamu, Nyandarua, Tana River and Isiolo counties. To date, the Governor of Nyandarua County operates from a shop and during lunch time, you find people preparing *ugali* or *mandazi*. I find this interesting. This should have been automatic. The five counties which do not have county headquarters should be facilitated so that we move together as a nation. It is a challenge, unfair and unreasonable to ask Nyandarua County to look for money to establish its county headquarters. We have so many challenges in health and infrastructure and the county government should be concentrating on such. I find that this is a game when the National Treasury comes up with a proposal that the county governments should show seriousness by implementing projects first. If it goes this way, we will never realise a county headquarters in Nyandarua County.

As much I support the Bill, these are some of the grey areas I hope will be looked into so that we can have a fair ground.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Kajwang’): Member for Vihiga County.

**Hon. (Ms.) Kedogo:** Thank you, Hon. Temporary Deputy Speaker. I want to support the Division of Revenue Bill.

On equitable division, I think we need more money in the counties. I wish a quarter of the revenue goes to the counties and a quarter remains at the national Government, so that we can support devolution.

On the Equalisation Fund allocated to marginalised areas, it is assumed that they are the only places that need it but we have areas in my county that also need it. We should not assume that there are areas that are more marginalised than others.

I also support it because of the special purpose grant supporting emergency medical services. This money is supposed to be well utilised at the counties. In my county, we have a cholera outbreak yet we have that allocation. The money should be well utilised to make sure it caters for emergencies that arise especially on medical services because people need medication to curb the health problems we are facing.

On conditional allocation on loans and grants, I would suggest that instead of this money being used for some roles, it is also allocated to some groups like women, widows, widowers and the youth. When you leave it to various roads, you find that some roads are not done. In our constituencies, we have the Constituencies Development Fund (CDF), Kenya Rural Roads Authority (KeRRA), Kenya Urban Roads Authority (KURA) and Kenya National Highways

Authority (KeNHA) and we sometimes wonder who is making a particular category of road. They should be given to groups to empower them.

I support it because of the additional conditional allocation for rehabilitation of primary and secondary schools. There are schools that need to be rehabilitated because sometimes money allocated to schools is not enough to rehabilitate them. If that money goes to the counties, it will do a good job.

I also want to talk on the free maternity health care. This money is given but, sometimes, those services are not free. The counties should use that money properly so that it is beneficial to the citizens. More money should be given to the counties because that is where most of the work is. The money meant to pay for forgone user fees should not remain with the national Government because the common *mwananchi* is at the county level and not at the national level. In future, let us think of giving more money to the counties than having it remain with the national Government.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Thank you. Hon. Members, we have to move the agenda of the National Assembly. It is a beautiful thing to debate the Division of Revenue Bill but a lot of information has come from the Floor. A lot of it is being repeated. This Bill is still going to the Senate. At the end of the day, it has divided the revenue. You can see there is a lot of business in the Order Paper that we must transact. I know that somebody outside this House has created some pandemonium and panic amongst Members that some Members must always speak or others do not speak. A lot of Members want to say something about anything. I can give you all the time you have but that will be the only Bill you would have transacted in the whole year. So, it is upon you to see how you can maturely manage your time. I hear many of you are saying that somebody somewhere is saying, 'I do not speak so I must speak.' That cannot translate into the agenda of this House. You know that speaking or not speaking is not what Article 94 of the Constitution is all about. You know that.

Anyway, I have given you that information so that you know the mood of the Speaker, although the mood of the Speaker is not very important in these matters. I have said that so that you know that we really want to step into business. Let us have the Member for Nandi.

**Hon. (Ms.) Kering:** Thank you, Hon. Temporary Deputy Speaker, for giving me an opportunity. I rise to support this Bill. I will try my best not to repeat what the other Members have said. This Bill recognises the forms of governments – the national Government and the county governments. The money allocated to various vote heads in this Division of Revenue Bill is very important. The Senate really needs to fast-track this Bill to ensure that the leased medical equipment in hospitals is put in place so that Kenyans use them.

Allow me to focus on the statutory allocation; the Constituencies Development Fund (CDF) and the Affirmative Action Social Development Fund. This money was Kshs38 billion but it has gone down to Kshs36 billion. We have seen what CDF has done. Why do we allocate a lot of money to NYS, which we know is going to be squandered, and reduce the money allocated to CDF and the Affirmative Action Social Development Fund? As one of the beneficiaries of the Affirmative Action Social Development Fund, I want to say that the Kshs2 billion that was allocated to us the other day has really been seen doing something. We are telling the taxpayers that even CDF started with Kshs6 million. Look at where it is today. We were anticipating the Affirmative Action Social Development Fund to go up from Kshs2 billion. Looking at the allocation, we wonder what will go to CDF and what will go to the Affirmative Action Social Development Fund. We want to be shown what is going where in these allocated funds.

I also want to focus on the money allocated to pay pension to retired teachers. At least this Bill has recognised the retired teachers. They are going to get something. As we talk about the retired teachers, we also need to see where the current teachers are in this Bill. It has become a song. Teachers have to go to the streets for their issues to be addressed. I believe the plight of the active teachers will be heard.

I also want to comment on the money that is allocated for irrigation and buying fertilizer. All the voters, and especially women, are really crying about water. We know that this is a devolved function. A lot of money is going to the governors. As a supporter of devolution, I think we need to do a lot of oversight because money goes there and no woman has received piped water as promised. We know money is there. We need to do something so that we do not just allocate money and not make a follow-up. On the money allocated to buy fertilizer, I come from an area where literally everybody needs fertilizer. Unfortunately, the beneficiaries of the fertilizer that goes to the National Cereals and Produce Board (NCPB) are the businessmen. Where is the local woman placed? We give large quantities of fertilizer to the businessmen who sell it at a very high price that the local woman cannot afford.

As I finish, I want to say that we need to wake up to our duty to oversee how all this money that we give to the county governments is spent. We want to see what the money that has already been given has done in those counties before we allocate more money. I congratulate my colleagues for constituting a board that is going to oversee the money going to the old persons. However, I still urge them to put up structures and find a way of explaining to the old persons how this money is given out. It looks like another body is giving the money. The Committee has been constituted but old people still ask about the money that has been allocated to them.

Thank you, Hon. Temporary Deputy Speaker, for giving me the opportunity. I support the Bill.

**Hon. Nyamweya:** Thank you, Hon. Temporary Deputy Speaker for giving me a chance to support this Bill. I support it because I am in CORD. If I were in Jubilee, I would request for this Bill to be withdrawn. When you go through it ---

**Hon. Kimaru:** On a point of order, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Just a minute Member for South Mugirango. Member for Laikipia East, what is out of order?

**Hon. Kimaru:** Hon. Temporary Deputy Speaker, I had thought earlier to ask the Mover to be called upon to reply, but given the interest members have, I would like to withdraw that option.

**The Temporary Deputy Speaker** (Hon. Kajwang'): What did you intend to do?

**Hon. Kimaru:** I had intended earlier to ask that the Mover be asked to reply but given the interest that Members seem to have, I would like to withdraw that request.

**The Temporary Deputy Speaker** (Hon. Kajwang'): All right, Member for South Mugirango.

**Hon. Nyamweya:** Thank you, Hon. Temporary Deputy Speaker. I have gone through this Bill and seen the projects and the activities that are going to be carried out with the revenue are totally misallocated.

You are aware that Members of Parliament do not have money for roads. The national Government has not given any money to county governments for roads. So, in terms of accessibility and in the development of roads in this coming Financial Year, the money available for those activities is substantially reduced. What does that imply to us? It means that in

agricultural areas where people are growing wheat, maize - I come from Kisii which is hilly - people will not be able to move to the market places. I thought that roads should have been given priority in the allocation of funds. Of course, we are hearing high sounding words of setting up intensive care units in district hospitals while we know very well that the equipment has been bought but there is no space or buildings to house the equipment. We have no manpower, we have no doctors and specialised people to run the X-rays machines. In a district where I come from, the district hospitals do not have a gynaecologist. They are manned by clinical officers. In you go to the sub-district hospitals, they are manned by nurses. You put money to buy equipment to go and rot! This is money which has been got by Kenyans. That is why I say, if I were in Jubilee, I would request that this Bill be withdrawn. But because they want to vote themselves out of power, let it be. Let them spend the money the way they want.

The national debt has shot up to 31.5 per cent of the national revenue. The Government learns as we learn. If you are going to take 31.5 per cent of your money to pay a loan, what are you left with to feed your family? What are you left with if you are constructing a house? These are very basic issues that we need to ask ourselves. Are we doing the right thing for this country? This is money and resources for this country and should be used in a way to reduce poverty. It should be used in a way to make the old lady at home, the aged --- I wish you could hear when the leadership speaks. They say they are going to give money to the aged women and aged men. They say that yet the money allocated for the same people is the same amount this Financial Year. We need to say we do not have enough then find the money. We should be honest to each other and carry this country together. That is so that the revenue which is raised and shared goes to the correct purpose and that is how it can alleviate the suffering of the ordinary person.

We anticipated money for the aged to increase this Financial Year. That was the mood which was created. That is what the leadership of Jubilee says when it speaks. When you go through this Bill, that amount is the same though the number of old people has increased.

The worst situation is about the reengineering of the National Youth Service (NYS). Everybody knows what has happened there. I am shocked that they have allocated Kshs9.5 billion to NYS again. They have put more money even before they do self audit, assess what has happened and the damage done. They are even putting more money where there are no office holders. As we speak, there are no substantive office holders in some positions at NYS. Budget runs for 12 months. It is a very short time.

Another issue is about this Equalisation Fund for the marginalised community. This figure is put at Kshs6 billion every year. However, they do not get a shilling until they want to form a party so that they can rescue themselves. The lies have been too much. I find it difficult that the National Assembly can say "this is revenue going to pastoralist community" yet we know that this money has year in, year out, never reached them. Is it for purposes of balancing the books? What are we doing here and now? Do we want to balance the books for the sake of it?

Another issue is security, which is a key area for this country. Much money has been contributed for security. We even passed some budgets of around Kshs13 billion, almost immediately we came to this National Assembly. It was a very contentious issue when Safaricom was awarded the tender. It was to modernise security, look for criminals and indicate where policemen were working. We are doing our third year. I have seen some cameras, but I am not sure whether they are working. That money went and nobody talks about whether the project was successful and crime rate has gone down. That is the purpose for which this money was allocated. We should not take security for granted. It needs to be properly funded. Of course, the

police and defence forces need vehicles, helicopters and all that, but this money should be manned by the police. It should not be manned by the Office of the President (OP). The Office of the Inspector General of Police (IG) is an independent institution. It should be made to run this money alone, through the commission. That is so that he is able to get what he needs most because he is the Accounting Officer. Most of the people who manage this money do not understand the issues an ordinary policeman faces. That is why you find a policeman with a family staying in a single room. They stay in temporary structures yet these are the people who are supposed to give us security. They should be highly paid because they protect us.

When I look at the Division of Revenue Bill, it is not meant to improve our wellbeing. It is self-serving. It is serving specific interests. That is not why we are here. That is why I am telling Jubilee guys that this is the money we should ask about. We should all come together to make sure that this money is allocated properly so that the ordinary person, the child, the mother who is in hospital---

**The Temporary Deputy Speaker** (Hon. Kajwang'): The Member for South Mugirango, when you say "Jubilee guys" are you referring to the Hon. Members of this House? Give him the microphone.

**Hon. Nyamweya:** Sorry for the remarks, but the Hon. Members of the National Assembly in Jubilee should analyse this---

**The Temporary Deputy Speaker** (Hon. Kajwang'): No. My problem is not with the people you are referring to.

**Hon. Nyamweya:** My apologies. I meant Hon. Members of Parliament (MPs).

**The Temporary Deputy Speaker** (Hon. Kajwang'): All right. I do not see "guys" in the National Assembly. I see Hon. Members here. Let us have the Member for Elgeyo Marakwet.

**Hon. (Ms.) Chebet:** Thank you, Hon Temporary Deputy Speaker for this golden opportunity. I support this Bill. This is a very important Bill because it is going to distribute the resources of Kenya to all counties, especially the marginalised communities who will benefit from this Equalisation Fund.

Secondly, I want to talk about the national irrigation and fertiliser issue. Currently we are running the Galana National Irrigation Scheme and we are lumping a lot of money there. I would have liked to use this scheme for experimental purposes so that it runs as a pilot scheme. We put less money there and take the bulk of the money to the grain growing areas such as Trans Nzoia, Uasin Gishu and other communities that grow maize so that the granary of Kenya can feed our population and employ farmers and their families.

Last year, the Galana Irrigation Scheme gave us nine bags per acre compared to 35 bags per acre which is produced in maize growing areas and that is a loss to the Government. We as farmers lose a lot of money when we produce a lot of maize and lack market. Right now, farmers are waiting to be provided with fertiliser which is not forthcoming. This leaves a lot to be desired when our farmers cannot access the resources they use for their farming.

Thirdly, I want to talk about reengineering the National Youth Service (NYS). We saw how NYS money was used. It seems as if NYS was allocated money which it could not use. The money that we have allocated should be re-allocated to other areas like developing skills for our youth so that they can get employed and also employ themselves.

A lot of money is lying idle in NYS and yet we have many youth who are not accessing employment and training. So, we could put that money in vocational training and the technical training institutes that we are constructing so that our youth can develop skills and use them.



Initially we thought NYS was a good and noble idea, but it is not giving us desirable results. Our youth cannot get employed. They trained for six months, graduated and now they are idling around. They do not have anywhere to go. They cannot practise skills that they were trained on. In any case they did not get skills, maybe paramilitary skills and they cannot use them. So, we need to redesign the NYS programme and make sure that the youth get relevant skills. We should change the way the programme is run.

Lastly, I want to talk about education. We need more money to be put in education. We need to invest in education. Now, we are talking about free primary school and free secondary school yet when you go to the ground, you find that in most schools, parents are employing teachers. They have Board of Management (BOM) or Parents Teachers Association (PTA) teachers. The ratio of government employed teachers to that employed by parents is small. Parents are spending a lot of money. They are bearing a lot of burden in employing teachers to teach in schools yet we still call it free primary and free secondary education.

We need more money to go to education sector so that we invest a lot in it.

With those few remarks, I beg to support. Thank you.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Thank you very much. Member for Laikipia.

**Hon. Kimaru:** Hon. Temporary Deputy Speaker, I think it is right now for my earlier Motion to have the---

**The Temporary Deputy Speaker** (Hon. Kajwang'): No. You are unable to decide for me, I am sorry.

**Hon. Kimaru:** I would like to ask.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Order! I am afraid you are not going to decide for me when it is right for you to rise on any issue or to raise a Motion. I had asked you what was out order because you had put an intervention and you felt like you are a Speaker for once and decided for yourself that the mood of the House---You know that you are unable to read the mood of the House other than the Speaker. So, just sit down and follow the proceedings.

Member for Isiolo North.

**Hon. Lomwa:** Thank you, Hon. Temporary Deputy Speaker. I rise to support this Division of Revenue Bill. I know it holds the fate of what happens next in the next 12 months. What is of interest to me and Members from the 14 counties is the Equalisation Fund. I know this is something before the Senate. I want to believe that once it is resolved, it is something that we need to come up with regulation and ensure that the Kshs6 billion allocated to this Fund is going to be realised and do the right thing. This is a constitutional issue which to me, is going to change the livelihoods because it is going to give a comparative advantage to the 14 counties in relation to other counties for a period of 20 years.

The procurement of modern security equipment is a necessity as long it is going to reduce incidents of insecurity particularly the regions that we have had this kind of instability. We know that once our nation is secure, we shall have a sure way of enhancing our economy and accordingly ensure that all sectors of economy grow. I also want to state the investment on school infrastructure which is not carefully budgeted here, it is still a commitment. It is something that we need to invest in because quite a lot of infrastructure is dilapidated and there needs to be a lot of focus from the national Government, particularly investment in primary schools. Most of the governors do not put this as an interest and something that will improve the quality of lives of the people.

It is high time we realised the physical projects like what we see in the CDF and implementation of the county projects. A lot of promises have been made to Kenyans as pronounced in the Jubilee Party Manifesto which needs to be realised in this Budget. We are going to the final year of elections and a lot has not been done in terms of realisation of the one million irrigation project and the laptop project. I know it is there. I can see Kshs17 billion has been allocated. This needs to be implemented.

We also need to fast track power connectivity in many places. I have heard Members stating clearly that there are quite a number of areas and schools that need power and are not yet connected.

We need to come up with adequate measures to reduce wastages at all levels of governance; national and county level. For instance, looking at the health services which are becoming cancerous we see a disgruntled personnel, nepotism and insufficiency in terms of allocation of resources. We need to revamp the health sector. When we see drugs missing in quite a number of these facilities, we see a situation whereby we will continue having a very sick society. Dispensaries have no drugs and adequate personnel and this is something which needs to be carefully scrutinized as a devolved function.

Finally, I have seen allocation for strategic grain reserves. This to me is going to be a stop gap measure as we await realization of implementation of irrigation programmes earmarked this Financial Year. It is something we need to go for so as to ensure that we have a very good and reliable food basket in our country. We need to fast track many projects particularly in the northern part of Kenya. A lot has been said and planned and we are still yet to see the outcome.

Hon. Temporary Deputy Speaker, I support.

**Hon. Gikaria:** On a point of order.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Member for Nakuru Town East on intervention.

**Hon. Gikaria:** On a point of order, Hon. Temporary Deputy Speaker. I stand on Standing Order No.95, on closure of debate. I have been here for quite a while and have heard repetition of issues. I am pleading with you that since we are not bringing anything fresh, you ask the Mover to reply.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Member for Nakuru Town East is on a point of order, so we cannot have another point of order. Let us process this first. Order, Members! Standing Order No.95(1) gives a right for a Member to rise in his place to claim and move that the Mover be now called to reply. It states:-

“95(1) After the question on a Motion the Mover of which has a right of reply has been proposed, a Member rising in his or her place may claim to move “That, the mover, be now called upon to reply” and, unless the Speaker is of the opinion that such Motion is an abuse of the proceedings of the House, or an infringement of the rights of Members, the question “That the Move be now called upon to reply”, shall be put forthwith, and decided without amendment or debate and if that question is agreed to, the Mover may, immediately reply to the debate, and as soon as the Mover has concluded or, if the Mover does not wish to reply, immediately, the Speaker shall put the question, subject to paragraph 3 of Standing Order 53 (Manner of debating motions)”.

Hon. Members, I have asked for the list of Members who have contributed to this Motion since yesterday and I have on record 52 Members. If we were to enforce the rule of irrelevance

and repetition which is No.107 of your Standing Orders, Many of you would have been cut short from their addresses. Even though I understand this is an issue which brings a lot of interest from Members because they want to know the rationale behind the Division of Revenue, the business of the House must continue and it is in the hands of you Members to control the speed at which you dispense off issues in the Assembly.

*(Question, that the Mover be called upon to reply,  
put and agreed to)*

**The Temporary Deputy Speaker** (Hon. Kajwang'): Let us have the Mover.

**Hon. (Dr.) Shaban:** Thank you, Hon. Temporary Deputy Speaker. I want to donate one minute each to the following Members: Hon. Zainab Chidzuga from Kwale, Hon. Dawood Rahim from Imenti North, Hon. Joseph Manje from Kajiado North, Hon. Fatuma from Wajir and Hon. Opiyo. Those are six minutes. Finally, I will donate to Hon. (Eng.) Gumbo.

**The Temporary Deputy Speaker** (Hon. Kajwang'): There you have it. They will contribute in the order that you have specified. Shall we have the first Member? Can the Member for Kwale have the microphone? Hon. Member, I understand that you are unwell. If it pleases you, you are allowed to contribute while seated.

**Hon. (Ms.) Chidzuga:** Shukrani, Mheshimiwa Naibu Spika wa Muda kwa kunipa hiyo nafasi ya muda mdogo japo nilikuwa nataka kuwa na muda wa kutosha. Ukweli ni kwamba tungetaka sana kupitisha Mswada huu. Kwa wakati ujao, tungetaka tuwekewe sehemu nyingine inayoonyesha kuwa katika majimbo na zile sehemu ambazo pesa zinakusanywa, ni kiwango kipi cha pesa kimekusanywa ili wakati wanapewa pesa zingine, tuangalie ni vipi tutawapa pesa kwa sababu saa hivi tunatoa pesa ambazo hatuelewi zitatumika vipi.

Upande wa unyunyizaji wa maji katika mashamba ningomba tuweze kusimamia sekta hii iendelee katika Galana kwa sababu ni moja kati ya sehemu ambazo zinaweza kulisha nchi hii.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Let us have the Member for Imenti North.

**Hon. Dawood:** Thank you, Hon. Temporary Deputy Speaker and the Deputy Leader of the Majority Party. I support the Division of Revenue Bill but with some riders.

Governors need to take care of this money. This is Kenyan money. In my county of Meru, our Governor is always complaining that the Members of Parliament do not fight for money to come to the counties. We should be told how much money he has received up to now. We do not see any tangible development in our county. Our county has pending bills amounting to Kshs1.6 billion which cannot be accounted for in the 2014/2015 Financial Year. We want to know how we are going to sort out the issue of the Kenya Rural Roads Authority (KeRRA) and the roads. Going forward in future, any loans that the county governments take from the banks need to be approved by the House.

**The Temporary Deputy Speaker** (Hon. Kajwang'): The next one is the Member for Kajiado North.

**Hon. Manje:** Thank you, Hon. Temporary Deputy Speaker. The National Treasury should fix the dates of when the counties will receive this money after the passage of the Division of Revenue Bill. The counties should know the dates they will be receiving this money. In South Africa, the provinces know that on certain dates, they will receive the money so that they can plan. We would also like the Government to check the sustainability of all these

counties. Are they viable? Are they spending the money according to the way the needs have been distributed? I would like the money left not to be misused especially in the parastatals. The Government has no business engaging in business ventures such as Uchumi and the Kenya Meat Commission. It should strictly offer an environment for businessmen to engage in business.

Lastly, I would also like the country to check the productivity of those counties before the common formula, which should be dynamic, is used.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Let us have the Member for Wajir.

**Hon. (Ms.) F.I. Ali:** Thank you, Hon. Temporary Deputy Speaker. The National Youth Service (NYS) has been allocated about Kshs11 billion. We should freeze any allocation of money to the NYS because of heavy looting and corruption of the already existing funds.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Hon. (Ms.) F. I. Ali, that has already been said. You need to wait for the Committee of the whole House and you bring an amendment deleting or improving on that particular part you are referring to.

**Hon. (Ms.) F. I. Ali:** Well guided. On the Division of Revenue Bill, there is no allocation for tarmacking of the Garissa-Wajir-Mandera Road yet the Jubilee Government had promised to do that.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Member for Rarieda.

**Hon. (Eng.) Gumbo:** Thank you, Hon. Temporary Deputy Speaker. I want to thank the Deputy Leader of the Majority Party for this opportunity.

One, on National Social Safety Net, we need to be told the method of allocation, the number of people who benefit per county and what it has done to improve livelihoods all over the country.

Secondly, there is a typo error in Number D(8) because we do not have the Constituencies Development Fund (CDF) but we have the National Government Constituencies Development Fund. That should be taken into account.

Lastly, every year we allocate contingencies. We should be given breakdown on what this contingency money is used for every year. We should also be told the amount of public debt that goes to servicing interests on delayed payment. The Government wastes a lot of money on interest on delayed payment and this can be avoided if payments are made on time.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Kajwang'): The Deputy Leader of the Majority Party, you have less 30 seconds to conclude.

**Hon. (Dr.) Shaban:** Hon. Opiyo has not contributed.

**The Temporary Deputy Speaker** (Hon. Kajwang'): You can all look at your watches. You know the proceedings of this House. So, why are you suggesting things which cannot work?

**Hon. (Dr.) Shaban:** Much obliged, Hon. Temporary Deputy Speaker. I want to thank all the Members for their contributions.

The oversight of county governments is a mandate of the Senate and it looks like they are sleeping on the job. We only seem to hear that most Senators want to become governors.

I beg to reply.

**The Temporary Deputy Speaker** (Hon. Kajwang'): Thank you, Hon. Members. I want to recognise young people seated in the Speaker's Gallery. They are boys from Tenges Boys High School in Baringo Central Constituency, Baringo County. Will you rise so that we can recognise you?

*(Students from Tenges High School stood up in their places)*

You may resume your seats.

**ADJOURNMENT**

**The Temporary Deputy Speaker** (Hon. Kajwang’): Hon. Members, the time being 1.03 p.m., this House stands adjourned until this afternoon at 2.30 p.m. It is so ordered.

The House rose at 1.03 p.m.