

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 2nd February, 2017

The House met at 2.30 p.m.

*[The Deputy Speaker (Hon.
(Dr.) Laboso) in the Chair]*

PRAYERS

Hon. Deputy Speaker: There is no quorum. Ring the Quorum Bell.

(The Quorum Bell was rung)

Hon. Members, we have quorum now. Please settle down so that we can start business.

PAPERS LAID

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

The Annual Report and the Financial Statements of Kenya Power and Lighting Company Limited for the year ended 30th June 2016.

The Report of the Auditor-General on the Financial Statements in respect of Embu University College for the year ended 30th June 2016, and the Certificate therein.

The Report of the Auditor-General on the Financial Statements in respect of the following constituencies for the year ended 30th June 2015, and the Certificates therein:

- (i) Banisa Constituency.
- (ii) Mandera West Constituency.
- (iii) Bumula Constituency;
- (iv) Mumias East Constituency.
- (v) Kimilili Constituency.
- (vi) Tarbaj Constituency.
- (vii) Tongaren Constituency.

Hon. Deputy Speaker: Let us have the Vice-Chairperson of the Departmental Committee on Environment and Natural Resources.

Hon. Ganya: Hon. Deputy Speaker, I beg to lay the following Paper on the Table of the House:

The Report of the Departmental Committee on Environment and Natural Resources on the Consideration of the Hydrologists Bill, 2016.

STATEMENT

BUSINESS FOR THE WEEK COMMENCING 7TH TO 9TH FEBRUARY, 2017

Hon. A.B. Duale: Hon. Deputy Speaker, pursuant to the provisions of Standing Order No. 42(2)(a), and on behalf of the House Business Committee (HBC), I rise to give a Statement regarding business scheduled to come before the House for the week beginning Tuesday, 7th February 2017.

The HBC met on Tuesday, at the rise of the House, to prioritise business for consideration. Next week, the followings Bills will be considered for Second Reading:

- (i) The Prevention of Torture Bill (National Assembly Bill No. 47 of 2016).
- (ii) The Movable Property Security Rights Bill (National Assembly Bill No. 50 of 2016).
- (iii) The SACCO Societies (Amendment) Bill (National Assembly Bill No. 26 of 2016).
- (iv) The Betting, Lotteries and Gaming (Amendment) Bill (National Assembly Bill No. 49 of 2016).

Hon. Deputy Speaker, I hope that the Departmental Committees have undertaken public participation on the said Bills as they were published last year. The HBC has also scheduled for debate the Report of the Public Investments Committee (PIC) on Procurement and Financing of the NSSF Tassia II Project. On Wednesday morning, the House will also vote on the Motion regarding Persuasive Voter Registration by Hon. Jude Njomo.

The House will consider, in a Committee of the whole House, the Institute of Directors of Kenya Bill of 2016, sponsored by the Member for Ugenya Constituency, Hon. David Ochieng.

The House will also continue with the debate on the Sexual Offences (Amendment) Bill, 2016 by Hon. (Ms.) Florence Mutua.

Hon. Deputy Speaker, on Wednesday afternoon, the House will consider the Public Finance Management (Amendment) Bill, 2015 in a Committee of the whole House. At the end of the Session last year, we had received a lot of amendments, especially with regard to the financing of the county governments. I hope that the Budget and Appropriations Committee, under the leadership of Hon. Mutava Musyimi, has finalised with the amendments in that regard.

I want to urge Members with proposed amendments to the Public Finance Management (Amendment) Bill to present them to the Legal Department or the Office of the Clerk to avoid the last minute rush.

The HBC has also scheduled for debate a Motion for Adoption of the Report on the Ratification of the Agreement between the Government of the Republic of Kenya and the USA concerning Cooperation in Threat Reduction Biological Engagement Programmes. This Report is important to both the Ministry of Livestock and the Ministry of Health in terms of financing their capacity in disease surveillance and control. The House will recall that this matter came up for debate during the Special Sitting on 20th December 2016. However, there was an objection from the Chair of the Departmental Committee on Defence and Foreign Relations regarding the need to consult the Ministry of Defence – and I hope they have done that. I hope that those consultations have been made and the Chairperson of the Departmental Committee on Health can make the clarification when the time comes.

Hon. Deputy Speaker: Thank you, Leader of the Majority Party. Before I proceed, I would like to recognise the presence, in the Speaker's Gallery, of Aldai Girls Secondary School, Aldai Constituency, Nandi County and AIC Kessup Girls Secondary School, Keiyo North Constituency, Elgeyo Marakwet County. I welcome them to the National Assembly. Because I am feeling generous, I will ask Members from those constituencies to say a word. Is the Member for Aldai Constituency present?

Hon. Serem: Hon. Deputy Speaker, let me take this opportunity to sincerely thank you for giving me this opportunity, so that my people of Aldai can hear me as we welcome the presence of their beautiful girls in the Speaker's Gallery today. These young girls are very hard working and they are my neighbours at home. I believe that next year when they sit for their exams, they will succeed.

Hon. Deputy Speaker: Is the Member for Keiyo North present? If not, you are all welcome in the National Assembly. I would like to indulge Members. Allow us to prosecute the next two agendas before you leave the Chamber. I plead with you so that we can conclude. I know you all have committee meetings and other engagements but allow us to prosecute Order Nos. 8 and 9. It will not take us more than five minutes.

BILLS

Second Readings

THE STATUTE LAW (MISCELLANEOUS AMENDMENTS) BILL

(Hon. A.B. Duale on 31.1.2017)

(Debate Concluded on 1.2.2017)

(Question put and agreed to)

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

THE NATIONAL CORONERS SERVICE BILL

(Hon. A.B. Duale on 1.2.2017)

(Resumption of Debate interrupted on 1.2.2017- Afternoon Sitting)

Hon. Deputy Speaker: Hon. Leader of the Majority Party, this one had been debated. The Mover is to reply now.

Hon. A.B. Duale: Thank you, Hon. Deputy Speaker. First, I would like to thank Members who actively participated in debating this Bill, and who were led by the Member for Kibra Constituency, who seconded this Bill yesterday evening. This is a very important Bill because it establishes the National Coroners Service which deals with procedures for investigations into particular deaths and establishes the reasons behind those deaths. There are many Kenyans who die in very unclear circumstances. This Bill deals particularly with that.

I beg to reply.

(Question put and agreed to)

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

Hon. Deputy Speaker: Next Order.

Second Reading

THE DIVISION OF REVENUE BILL

Hon. Deputy Speaker: The Chairman of the Budget and Appropriations Committee.

Hon. Musyimi: Hon. Deputy Speaker, I beg to move that the Division of Revenue Bill (National Assembly Bill No. 2 of 2017), be now read a Second Time.

I do not need to stress that this is a very important Bill. The significance of this Bill lies in the fact that once adopted, it begins the process of unlocking funds for both the county governments as well as the national Government. It also gives impetus to the preparation and finalisation of the budget estimates for the Financial Year 2017/2018. Hon. Members will be aware that the Budget Policy Statement (BPS) that they passed is the anchor of this Bill.

The Division of Revenue Bill, 2017 provides for sharing of revenue that is raised nationally between the national Government and county governments for the Financial Year 2017/2018, in accordance with Articles 203 and 218 of our Constitution. This Bill sets out the indicative total sharable revenue, national Government share of revenue and county equitable share of revenue, conditional grants and the Equalisation Fund. The total sharable revenue during the Financial Year 2017/2018 is projected at Kshs1,549,412,000,000. This represents a positive increase of Kshs169,213,000,000 up from Kshs1,380,199,000,000. The last audited and approved revenue accounts related to the Financial Year 2013/2014 were estimated at Kshs935.653 billion. This, in actual fact, demonstrates that the *de facto* basis of sharing revenue is not as is required by law the last audited accounts, but the projected revenue collections during the Financial Year 2017/2018. Out of the Financial Year 2017/2018 projected revenue in the amounts that I have mentioned, that which would go to the national Government would be Kshs1,238,343,840,000. This will include Kshs3.4 billion as a special grant to the National Hospital Insurance Fund (NHIF) to cater for free maternity health care to be disbursed as reimbursements. Also, this will include the Equalisation Fund.

Hon. Deputy Speaker, I will not go into the details of how those monies for the national Government are to be shared out between the different institutions of that particular platform. Those details will come to us when the Estimates come to the Floor of the House.

Allow me to spend a bit of time talking about some details with respect to the county governments allocations. The county government share of Kshs323,757,560,000 comprises of county equitable sharable revenue of Kshs291,136,160,000 compared to Kshs280.3 billion in the Financial Year 2016/2017. We have a steady growth of equitable sharable revenue over the period equivalent to an increase of Kshs10.836 billion from the Financial Year 2016/2017 allocation. The additional allocations to the county governments relate to five conditional allocations of Kshs12.205 billion for provision of specific services; that is leasing of medical equipment, Level 5 hospitals, rehabilitation of youth polytechnics, compensation of foregone user fees and construction of county headquarters.

Further, the Bill provides additional conditional grants of Kshs20,416,400,000 as extra grants from Fuel Levy Fund and additional conditional allocations from World Bank loans and grants of Kshs7.9 billion and Kshs12.5 billion, respectively. Besides these five areas, we have a

provision of Kshs3.4 billion as I stated earlier from the national Government share as a specific grant to the National Hospital Insurance Fund (NHIF) to cater for free maternal health care to be disbursed as reimbursements.

Previously, free maternity health care was reimbursed directly to the county governments but now, we have a policy shift in administration of free maternity health care where the service shall be administered through the existing NHIF framework.

With respect to the conditional allocation to county governments, I wish to say that in accordance with Article 202(2) of the Constitution, we propose that there should be additional conditional allocations from the national Government share of revenue to support specific national policy objectives that shall be implemented by the county governments. As I mentioned earlier, these are as follows:

(i) We have Kshs4.5 billion for leasing of medical equipment. This conditional grant whose purpose is to facilitate payment for leased modern specialised medical equipment in at least two medical facilities per county, is in its third year of implementation. That grant is usually managed by the national Government via a framework established through the inter-governmental agreement.

(ii) Kshs900 million towards the compensation of county health facilities for foregone user fees. This is a grant that is a reimbursement meant to support the implementation of the Government policy of not charging user fees such as the laboratory services among others in Government health facilities.

(iii) The Kshs4.2 billion for Level 5 hospitals is an allocation for the 11 hospitals across the country under this category which serves as regional centres offering specialised care, life support and specialized consultation, among others. The allocation is compensation for serving referral cases from adjacent counties.

(iv) We have Kshs605 million for construction of county headquarters. This proposed allocation is for five counties. Each will receive Kshs121 million. The counties are Isiolo, Lamu, Nyandarua, Tana River and Tharaka Nithi.

(v) Kshs2 billion towards rehabilitation of village polytechnics. This proposed allocation is meant to support counties to build, renovate and equip village polytechnics. We believe this will go a long way in establishing centres of excellence in artisanship at local levels so as to equip the youth who do not transit to secondary schools with valuable skills needed for economic transformation and employment.

Perhaps, I need to just mention this. Hon. Members may recall that about three years ago - I believe it was in the Financial Year 2014/2015 - this House had initially proposed that we set aside a conditional grant of Kshs1.4 billion to be used by village polytechnics. Then the Senate had issues with that particular proposal. We had to go through mediation and that condition was removed. We have observed the attention or lack of it, thereof, given by county governments to village polytechnics over the last three years and we are, therefore, convinced that, that money should go to the county governments because they are the ones who have been given that responsibility by the Constitution. However, it must go to them as conditional grant because if we leave it generally, we know that nothing will happen and a lot of our young people will end up without getting the necessary skills even at that level, which comes with all manner of social problems later on in life as we all know. So, we have proposed that this goes to the county governments as conditional grant.

Kshs7.9 billion out of the Fuel Levy Fund is an additional conditional allocation that will be applied to enhance the capacity of counties to repair and maintain roads under their purview.

This proposed amount has increased from Kshs4.3 billion in the last financial year. Kshs12.5 billion is an additional conditional allocation. Those are loans and grants and the details of that are as follows:

Kshs873 million is a World Bank loan. This will be supporting pro-poor delivery of health services in the 21 counties. Kshs1.5 billion World Bank capacity grant is to all the 47 counties for Kenya Devolution Support Programme seeking to strengthen the institutions of county governments in Public Finance Management (PFM) systems, Human Resource (HR) issues and inter-governmental relations and also seek to improve their monitoring and evaluation capacities and civic education with respect to public participation. Further, we also have the Kshs4 billion World Bank capacity grant. This is another grant to all the 47 counties to support devolution. Finally, we have Kshs6.2 billion as proceeds of other loans and grants also to county governments.

I wish to conclude by urging this House to expeditiously pass the Division of Revenue Bill 2017, so that it unlocks the preparation of the County Allocation of Revenue Bill and budget processes at the county assemblies.

As I move, it is my pleasure to kindly request my very able Vice-Chair, Hon. Mary Emasse, the lady who represents the great people of Teso South, to kindly second this Motion.

Hon. Deputy Speaker: Hon. Mary Emasse.

Hon. (Ms.) Otucho: Thank you, Hon. Deputy Speaker. I rise to second the Division of Revenue Bill 2017. This is a very important Bill as it lays the foundation for the formulation of the budget estimates and, thereafter, the County Allocation of Revenue Bill. It is very important that we dispense of this Bill so that there are no delays in the consequent Bills that will allow for smooth sharing of revenue between the two levels of government – the county governments and the national Government.

This Bill divides the national Government revenue into allocations for national Government and county governments. The Division of Revenue Bill, 2017 gives us the indicative shareable revenue, the national Government share of revenue and the county government equitable shareable revenue. In 2017/2018 Financial Year, the county governments allocations as proposed by this Bill, provides that the county governments shall receive Kshs323,756 million. That is an increase from Kshs 280,300 million in the last Financial Year, 2016/2017. There will be additional revenues. Besides the equitable share of Kshs291,136 million as indicated in the proposed Bill, there will be other additional allocations which include leasing of medical equipment which will be at Kshs4.5 billion. There is a proposed allocation of Kshs4.2 billion for the Level 5 hospitals. There is also the rehabilitation of youth polytechnics at Kshs2 billion. I am very passionate about this one because in the last financial year, we proposed in the Budget and Appropriations Committee that we ring-fence allocations for rehabilitation of village youth polytechnics. As we speak, in some of the counties, there was no allocation towards rehabilitation of village polytechnics because the Senate reversed the provision to ring-fence these resources to the village polytechnics. I want to urge Members that this time we must protect these polytechnics because they are in deplorable conditions and resources must go towards rehabilitating them.

Some allocations will also be going towards compensation for user foregone fees which is Kshs900 million and we have monies that have also been set aside for the construction of county headquarters. According to the study that was carried out for all the counties across the country by Hon. Senator Muriuki, it was realised that certain counties do not have headquarters. So, monies have been allocated so that we have construction and so that we can bring all the

county headquarters to be at the same level with all the others across the country, so that they can have infrastructure facilities for smooth operations of the county governments.

Hon. Deputy Speaker, this Division of Revenue Bill also provides for grants to the county governments resulting from increased fuel levy. They will be receiving Kshs20,416 million towards maintenance of roads and they will also be receiving other monies from the World Bank. We have World Bank loans and we have grants. We have World Bank loans to the tune of Kshs7.9 million and also grants to the tune of Kshs 12.5 million. Among the allocations, I also want to comment further on the allocations to National Hospital Insurance Fund (NHIF). In the last financial year, these resources were part of the national Government allocations. We realised that most of the women were turned away from certain hospitals. They could not be given services because of the delays in the reimbursements of these monies by NHIF. So, in this Financial Year, in the Budget and Appropriations Committee, we feel that we need to commend the good work that the NHIF is currently doing across the country. To this respect therefore, the Committee deemed it fit to channel funds for Government policy on provision of free maternal health care through the NHIF framework so that this money goes directly to NHIF and it is therefore intended to reach more mothers for both prenatal and postnatal care. This is a very important allocation because it goes towards taking care of health of our mothers and children.

I also want to comment further on the allocation of the Kshs900 million towards compensation to county health facilities for user foregone fees. These monies normally go towards taking care of the fees that used to be charged for basic services like laboratory. This money is reimbursed to those hospitals to take care of those basic costs. We have our poor mothers who cannot afford basic laboratory fees. This money is therefore reimbursed to the hospitals and these are some of the conditional allocations that must be channelled directly by the county governments.

I want to urge all Members, that let us support the Division of Revenue Bill so that we can dispense of it fast enough so that we leave the rest of the work to the county governments. We want them to quickly approve their counties division of revenue so that we can also conclude on our budget estimates.

Hon. Deputy Speaker, I second.

Hon. Deputy Speaker: Okay. Thank you.

(Question proposed)

Hon. Makali Mulu is the first on my list.

Hon. Mulu: Thank you, Hon. Deputy Speaker. Let me also take this opportunity to support the Division of Revenue, Bill 2017. I want to thank my Chairman and deputy for giving us the important figures captured in this Bill. So, I will not spend a lot of time talking about figures because they have been presented by my Chairman in all the details which are necessary. I just want to spend a bit of time to talk about the bigger picture. This Bill is very important. We all know it takes care of what we call the vertical division of revenue between the national Government and the county governments. I just want to remind the Hon. Members that this is the last Division of Revenue Bill to be approved by the 11th Parliament because we know we are all going for elections in August. We have learnt a number of lessons over the years and it is important that some of these lessons be put into practice as we move forward.

When you look at this Bill, it states clearly that in case there will be a shortfall in terms of revenue collection, then the national Government will take care of that gap. But in case there

is excess collection, then that money will go to the national Government to take care of payments of loans and other activities. We have put Kshs7.7 million to take care of Equalisation Fund. I want to remind this House that the money for Equalisation Fund has been put in every budget every year since we joined the 11th Parliament. Unfortunately as we speak, I do not think we have disbursed a single cent out of the Equalisation Fund kitty. It defeats logic and all the thinking around the Equalisation Fund. It is clearly there in law and money is not being disbursed to the affected areas so that they catch up with areas which are said to be already developed.

The other thing is the law requires that we approve division of revenue based on approved audited reports. When you look at the records of this House, the last time we approved accounts was 2013/2014 which means we are in arrears by about three years. I must really appreciate the fact that we have shared this revenue based on projections of this year. The House needs to take the challenge and make sure we fast-track this Report so that we can be up to date in terms of sharing this revenue based on audited reports other than projections. The law demands that we must use approved audited accounts.

The issue of village polytechnics is quite impressive. This House needs to put in place mechanisms to make sure that the money for village polytechnics is actually released to the village polytechnics so that we can improve them. They will take care of our children who do not go to the universities and those who do not go for diploma courses. It is for those who are able to do low level technical courses which can help them make a living.

The payment towards public debt is a worrying trend. We have moved from Kshs446.6 billion to Kshs618 billion in terms of payment of public debt and associated expenses, which are interests and all those other things. This is really a worrying trend. We have said many times that, even as we borrow as a country, let us bear in mind that we have a future generation that will come and that will be expected to pay that money. We need to avoid what we call inter-generational balancing in terms of payment of public debt. It is important we start being keen. I urge the economists who work in the National Treasury to be a bit more careful with our public debt.

As we talk about revenue generation, county governments are collecting revenue from their local resources. I can say this without any fear of contradiction that county governments are not achieving their optimum level in the collection of revenue. We need to push them so that, even as we give money from the national level, they should collect what is expected at their level so that we develop our counties. This is the only way this country will develop.

When you look at how the money is shared, the Bill says very clearly that in the process of determining what goes to the county governments, developmental needs of the county governments needs to have been factored in. We need to push county governments so that those developmental needs are addressed with the resources we are sending to the counties. Anytime you read the print media or listen to the television, there is a lot of misdirection of resources from the main functions. We really need to push those county governments so that developmental needs are met by making sure that resources are used for intended purposes.

When you look at the Emergency Fund (EF), we have put Kshs5 billion at the national level. The county governments should also be expected, at that lower level, to also factor in emergency funds of about 2 per cent of their money. This is very important. With what we are going through as a nation now - like the issue of drought and all these others things - it is important that county governments factor in emergency funds so that when these things happen at that level, our people are not exposed to danger as a result of natural calamities.

Hon. Deputy Speaker, this Bill is very important and we should make sure that it is implemented. When you compare what the Commission on Revenue Allocation (CRA) recommended and what we have given them, you will realize that some elements have been left out. I must thank the drafters of this Bill because they are explaining why they were not able to give money as recommended by CRA. This is a constitutional requirement. You will recall there are also some important things which the CRA recommended, for example, the establishment of two regional cancer treatment centres which we have not funded. Cancer has become a major killer. As we move forward, this is one of the areas that, as a country, we need to prioritise and make sure our people are able to access treatment.

As I conclude, a lot of money has gone to the health sector. We have grants for maternal health care. We have grants for equipment leasing and so many other grants. It is important that, even if we provide the equipment and infrastructure, without the human resources and our doctors working, it is an effort which cannot achieve any result. So, I urge the Government to take this matter of doctors' strike seriously and make sure we come up with a mechanism so that doctors can resume their duties. Otherwise, we will provide equipment; we will provide money for maternal health care, but the people will continue dying. The most important factor in treatment is the doctor and the human resource factor which we do not have.

With those comments, I support this Bill and wish that the money will be used for the intended purposes as it has been appropriated by this important House.

Hon. Deputy Speaker: The Hon. M'eruaki.

Hon. M'uthari: Thank you, Hon. Temporary Deputy Speaker. I rise to support this Division of Revenue Bill, 2017. This is an important Bill as highlighted. It is also in the fulfilment of the Constitution. It is important for Kenyans to pay attention to the kind of monies that are being divided between the national Government and the county governments. We have all those kinds of budgets that we appropriate and yet, not much is happening at the county level. As you may be aware, we are facing a crisis in terms of drought at this moment in this country. After all these years of Independence, it is shameful that we are faced with that situation and floods every now and then. For all the money that we appropriate, instead of counties that are entrusted with the responsibility of providing water and agriculture spending the money to make conditions better, it does not happen. This is why Kenyans - as we are now in the electioneering year - need to look at the leaders they vote in. What are they doing with the resources that we appropriate to the counties?

We cannot be a people who depend on nature and vagaries of weather while we are appropriating funds which, if invested well, could give us development. We are now giving the counties all the money - the equitable share of Kshs291,136,000,000. We also have all those other monies that are given to counties as conditional grants. Some of those monies should be invested in agriculture; in water harvesting; in stimulating agricultural activities; in stimulating irrigation and also in the areas where livestock is kept. We have seen other areas which are even drier than our country investing in improving fodder and water. Even in the counties which have suffered all the years and with the monies appropriated at that level, nothing seems to change.

The fundamental thing now is that this may also be an indication--- The question is: Why do we have problems in certain regions of this country? It is not because of resources. Even if there is the question of resources, the main challenge is human resource. The main challenge is the people who were elected and entrusted with the responsibilities of managing the resources for the people. At the end of the day, this year, citizens have to be wise and ask themselves about the people who have been entrusted with the monies like what we are appropriating here. How will

this money benefit the people? Is this money for just a few and then the majority with their conditions remain the same?

I am hoping that as we do this allocation, we will also invest monies at both the national and county level. The monies should be invested in the sectors that will generate and the sectors that will make the life of ordinary Kenyans better.

Through this the Budget, we have monies like conditional grants for medical equipment. We have monies for the Level 5 hospitals. We can see the levels improving in terms of availing the tools and equipment at local hospitals. But, at the same time, we are also faced with the problem of the strikes by the doctors. All these things need to be aligned so that at the end of the day as we give resources, we consider who the people entrusted with the responsibilities are and what they are doing with it so that we can have a better system. We also have the county capacity building fund which is an important fund. It is my hope that this money can be used for civic education and strengthening intergovernmental relations as indicated here. There are instances where resources are not utilised properly. There is also duplication of roles and then energies are not directed where they are supposed to be directed. Six years after the inauguration of the Constitution, many Kenyans still believe that most of the development activities are with Members of the National Assembly without knowing most of the functions have been devolved to the county level. Many of these functions are at the lower level because of lack of awareness. Therefore, civic education will go a long way in increasing awareness.

The other thing is strengthening the monitoring and evaluation which is very important for the citizens to understand their responsibilities, with regard to what they expect of their leaders at various levels. At the end of the day, like when we have the electioneering process, the citizens are able to ask their leaders questions based on various issues. But not on emotions as it appears at the moment where the guiding principle is who is able to amplify the emotions of the people.

When you look at the conditional grants given to counties for road maintenance, these are matters of education to citizens. By the end of the day, these roads are classified properly and citizens are aware what roads are done by the national Government and the roads to be maintained by the county governments. The leaders across the board are supposed be responsible. When we look at certain areas where resources have been given, there are activities things like national irrigation; the question of enhancement of security is good. The Government is doing some good job, but still more can be done to improve the security by having equipment and resources for our security forces. There are also other funds for irrigation, fertiliser and other things.

It is high time the Ministry of Agriculture or the Government identified zones within this country, instead of spending all the money in having one very big irrigation scheme like Galana, where irrigation can be improved. Instead of having one million acres in one particular area, it should have been much better if these funds were allocated across the country, so that the benefits of these funds can be spread. For food security, it is good to expand even the crop options.

Where the Government has done well and has improved in terms of increasing the funds to take care of the Orphans and Vulnerable Children (OVC), the old, the children's welfare and the President's bursary and the people with disabilities. This fund can be enhanced because it has been very helpful in terms of helping the most vulnerable. They are people whose dignity has been lifted up because of receiving this support.

I ask Kenyans to be keener this election year in terms of people being given responsibility of leadership, especially the governors and at all other levels.

I support this Bill and thank you.

Hon. Deputy Speaker: Hon. Johana Ngeno.

Hon. Kipyegon: Thank you, Hon. Deputy Speaker. Before I make my comments, I would wish to condole with the families of those who lost their loved ones in Somalia. Lives were lost carelessly and unnecessarily.

This is my first day in Parliament after some time when several things happened in this country. Though they are defending our country, I think they have outlived their usefulness in Somalia. They should be defending our country at the borders. Countries are withdrawing their armies from such countries, like the US and all those superpowers. Our soldiers need not die outside our country.

I wish also to congratulate my sister Madam Amina, for the effort she put in trying to clinch the chairmanship of AU, although she lost. That must have given us good lessons to know how we relate with other countries and seriously on our foreign policy.

Secondly, I want to support this Bill. When you look at how much money we are putting on several issues, it is very encouraging. It is encouraging to the extent that we are factoring in matters that really affect the people. The only thing we should look at seriously is implementation of all these matters.

We are talking about a Budget of over Kshs1.5 trillion. This is a very huge Budget. That is a lot of money we will spend in this country. When you look at the money that is supposed to be utilised at the national level, around Kshs1.2 trillion, versus around Kshs300 billion that goes to the counties, we do not want to make it a ceremony. Each and every year we are dividing money between the national and county governments. Before we even pass these Bills, we should tell the country how this money will be utilised. Sometimes we put all our attention in the counties, asking the governors how much money they have spent on development. We have seriously focused on the counties which normally take about Kshs300 billion, forgetting that we leave Kshs1.2 trillion plus in the national Government. Each and every year, we do not see any serious development in the country. We must also scrutinise what exactly the national Government is doing with the roads money, health money and the money that we allocate for several departments and ministries. How exactly are these monies utilised?

I come from a county where for the last four years, since Jubilee took office; there was not even a single inch of a tarmac road. I normally vote here, we pass the Budget, we put money for the roads and the roads are constructed in my county. Why should I vote for this one when I have voted for the Budget for the last four years, especially the Budget for roads without getting even an inch of tarmac road in my constituency? Sometimes we make a lot of noise, especially concerning our governors. It is true that the governors are thieves and reckless spenders but they have copied those bad manners from the national Government. They say “like father, like son.” The governors have learnt from the national Government how to steal, misspend and overspend public funds on useless things. It is high time we looked at our Budget and gave it serious attention, as Members of Parliament. We need to scrutinise the way the county governments and the national Government use public funds. As one of my colleagues said, we have been allocating money to the Equalisation Fund each and every year.

In every Budget cycle, the Division of Revenue Bill provides money to the county governments and the national Government, as well as to the Equalisation Fund. In the last four years, we have allocated billions of shillings to the Equalisation Fund. I come from a county

which is supposed to benefit from the Equalisation Fund but to date, we have not received a single cent of that money. Who is spending the Equalisation Fund money? If this money has not been spent, why is it lying in the national coffers while the particular counties that are supposed to benefit continue to suffer? Narok, Turkana, Wajir and Garisa counties are suffering. Sometimes I wonder because among the people who are supposed to benefit from this money is the Leader of the Majority Party. I do not know if he is so selfish that he only looks at the things that benefit him personally. He cannot even fight for this one. We are the beneficiaries of this money.

Every year, somebody tells us to go to his office to discuss how to use the money from the Equalisation Fund. The other day, they brought us a list of projects they said they had allocated the Equalisation Fund money. We declined because they told us that they wanted to use the share for Narok County to build some road in town. In Turkana County, they wanted to build a certain big dam. That is not equalisation. Building a good road in Narok Town is not equalisation. We do not use that road. Everybody from Nyanza and Bomet counties use it. We want the money to benefit people in the areas we need to equalize in terms of health, roads and water services. These are the areas where this money was meant to be utilized. However, somebody is just playing some games. I do not know if it is the Jubilee Government, which made so many promises to the people but the money is not there. Therefore, they want to utilize the Equalisation Fund to fulfil the promises they made to the people. We want to tell them that the Equalisation Fund should be spent in areas which have been marginalised. We cannot allow it.

Even if you force it, some of us will move to court to stop the national Government from using the money on projects other than those it is meant for. We want the Equalisation Fund to be released before March. We want the people to benefit from this money. We have seen that they have allocated another Kshs7 billion. We do not know where the previous Kshs7 billion and the other Kshs7 billion or Kshs12 is. The Equalisation Fund is a creation of the Constitution. Disbursement of these monies should not be at the mercy of the Cabinet Secretary for the National Treasury. I am happy that the Leader of the Majority Party is back. Talk about this money because it is supposed to benefit the people of Garissa, Narok and Turkana. You should not just be doing things which do not benefit our people.

There is also the issue of equitable shares and conditional grants allocation to the counties. We want the conditional grants to specifically go to the areas that have been specified, especially for rehabilitation of polytechnics. For example, in my constituency we do not have one. If this money was to be directed to the polytechnics, our people would benefit.

Lastly, on the issue of leasing equipment, I do not think it is a good idea.

Hon. Deputy Speaker: Leader of the Majority Party, proceed.

Hon. A.B. Duale: Thank you, Hon. Deputy Speaker. Even though I am not at the same level with Hon. Ng'eno in terms of ranking and leadership of the House, we know why he is bitter. It is because these are his sunset days in this House.

(Laughter)

In my community, they say that when a man is about to die, you tell members of the community to go and dig a grave. I know why he is bitter. It is because his days are numbered. When you foresee your sunset days, you forget the Division of Revenue Bill and start talking about Hon. Duale. However, let me go to the substantive---

An hon. Member: On a point of order!

Hon. A.B. Duale: You had your time, let me have mine. The Division of Revenue Bill is---

Hon. Deputy Speaker: Leader of the Majority Party, please, avoid raising the tempers of these people. I saw you smiling. I believe you were saying it with a light touch.

Hon. A.B. Duale: Hon. Deputy Speaker, he should relax.

Hon. Deputy Speaker: Hon. Members, I do not think any of us here knows who is going to come back to Parliament and who is not after the next general elections.

(Laughter)

Hon. A.B. Duale: He should relax.

Hon. Deputy Speaker: Leader of the Majority Party, let us put that matter to rest. Let the electorate decide who is coming back and who is not.

Hon. A.B. Duale: Hon. Deputy Speaker, thank you very much. One needs to have a sense of tolerance. It is a virtue.

The Division of Revenue Bill, 2017 is prepared in accordance with Articles 202, 203 and 218 of the Constitution. It provides for the sharing of the revenue raised nationally. The manner of doing so is provided by law. The timelines provided for the process are contained in this Bill. It is a culmination of a resolution that was adopted by this House when we passed the Budget Policy Statement of 2017. It is worth noting that the sharable revenue for 2017/2018 is Ksh1.549 trillion divided as follows: The national Government, Kshs1.238 trillion; and the Equalisation Fund, Kshs7.7 billion.

Regarding the Equalisation Fund, Members have submitted projects. Administration of the Equalisation Fund is a function of the national Government, according to the Constitution; unless the national Government chooses to share it with the county governments through disbursement of money to the later in the form of conditional grant. The problem with my colleague is that he wants the Equalisation Fund managed in the manner we manage the National Government Constituencies Development Fund (NG-CDF). Administration of the Equalisation Fund is not your function. It is the priorities given by various departments within the national Government, in consultation with the leadership that is considered. The money is directed to specific areas, including electricity, water and roads. The Equalisation Fund is not like the NG-CDF. It is a different Fund that is supposed to be managed by the national Government.

I said that tolerance is a virtue. In my religion, we say that patience makes you to be closer to God. If you belonged to my faith, I would have told you that if you are patient and tolerant, you will always be near the gates of Heaven. Since we profess religions which are closely related in terms of their philosophies, I hope the same teaching is found in the Christian faith.

Let me come to the various challenges facing the county governments. The amount of money that we are giving to the county governments this financial year, out of the shareable revenue, is Kshs303.3 billion. Out of that, Kshs291 billion is the equitable share while Kshs12.2 billion is the conditional grant and this includes money for the leasing of the medical equipment, compensation for the user foregone fees, and allocations which we give directly to Level 5 hospitals. There is an element in this year's Division of Revenue Bill, which is the construction of county headquarters in five counties. There is also provision for the rehabilitation of village polytechnics.

Above that there is a further additional county conditional allocation, which is not part of the sharable revenue. This is Kshs7.8 billion which is raised from the Fuel Levy and Kshs12.5 billion as the proceeds of loans and grants. So, in total the 47 county governments will receive Kshs323.7 billion which constitutes 34.6 per cent of the most recent audited revenue of Kshs935.6 billion for the Financial Year 2013/2014, which has been approved and submitted by the Public Accounts Committee.

Hon. Deputy Speaker, let me start with the problems we are facing in the health sector. The management of health institutions in counties has faced huge challenges. One of the mistakes that we did as a country was to devolve the health sector. I am saying that because we did not have the right personnel and people to manage that sector. So, we are facing huge health challenges. There are huge allocations to the health sector, for example, allocations to the maternal health care, compensation for user foregone fees such as the free maternal health care, the money sent to Level 5 hospitals and the reimbursement for the National Hospital Insurance Fund. This situation has never changed the health sector in our counties. That is the reason we must do something to the Public Finance Management (PFM) Act we are going to receive next week.

The problem is that all these monies appropriated via the Division of Revenue Bill and the County Allocation of Revenue Bill by both the Senate and this House all go to the County Revenue Fund (CRF). When they go there and they are not ring-fenced for the health sector, the county governments use that money for other purposes. We do not know, for instance, how much money is appropriated by this House for Level 5 hospitals like the Garissa Provincial General Hospital (PGH). Therefore, we must, as a House, ring-fence the health sector.

Secondly, we should not allow health allocations to go into the County Revenue Fund. Many wrong things are happening. Doctors are recruited based on nepotism. If you do not come from that county you do not work in that hospital. All the challenges we are facing is because we have not set the right procedures. Further, the funds should have specific accounts. After we remove the money for the health sector from the CRF, we must decide that every hospital in that county is sent direct allocation. That way, the hospitals will operate.

The expenditure performance of the counties is above average but the Development Expenditure is lower than the Recurrent Expenditure. Most of the money we send to counties is used on Recurrent Expenditure and this trend must change. The bottlenecks in the absorption of the development fund are very evident in all the counties. The proportion of compensation of employers to the total expenditure is above the 35 per cent threshold set out in the PFM Act. In 2015/2016, the total compensation to employees in county governments amounted to 40.2 per cent in total expenditure. This was above the threshold given in the PMF Act, which is 35 per cent.

You will find there are unutilised funds at the end of every financial year with a huge absorption being pending bills. Most of these governors will leave office – I know most of them will leave office - and face prosecution in future. Most of them are leaving huge pending bills to the tune of Kshs5 billion. The incoming governors will have to verify some of these things because there are pending bills but there are no on-going projects. I am sure Hon. Junet will agree with me that there is a serious problem in Migori as it is in Trans Nzoia, Garissa and other places.

So, there is no development, but there are many pending bills all over - God save Kenya. The proportion of pending bills is very high. For instance, at the end of 2015/2016, the total unutilised funds amounted to Kshs48 billion. Out of this unutilised fund of Kshs48 billion, Kshs

37 billion were pending bills. That is unprecedented and I am sure that is why this House must re-look the legislation and deal with this matter.

The fiscal performance of county governments has been above average over the last two years. The concern is the ability of county governments to raise their own revenue. Nairobi County can raise Kshs10 billion or more every financial year. If you ask them they will tell you they raise Kshs2 billion or Kshs3 billion. A number of counties are having challenges even in revenue estimation; they cannot even estimate what their local revenue is. These are few challenges but both levels of Government must be accountable. Every penny that this House and the Senate appropriates, including the Kshs35 billion or so that is given to Members of Parliament, must be accounted for. I am sure if this is done Kenya will transform into a better country. We are giving county governments Kshs323.7 billion which constitutes 34.4 per cent.

Finally, we have just approved the Commission on Revenue Allocation. We approved the commissioners during the Special Sitting on 20th December, 2016. Yesterday we received the name of the Chairperson and we expect the Departmental Committee on Finance, Planning and Trade to fast-track the process so that the Commission is seized of these two Bills, that is, the Division of Revenue Bill and the County Allocation Bill. They must start working very hard because the key function of the CRA is to determine how revenue is shared between the two levels and also implement. We expect that Commission to be full time. There is no way that previous Commission was full time and this particular is not. What has changed? We want this Commission to look at the parameters, ensure that money is shared equally and every penny for the national Government and county governments is accounted for.

I beg to support.

Hon. Deputy Speaker: Let us have Hon. Chris Wamalwa.

Hon. Wakhungu: Thank you, Hon. Deputy Speaker. I rise to support this important Division of Revenue Bill.

As we know, this Bill is very critical as it is the one that provides the vertical basis of sharing revenue between the national Government and the county government. Notably, you realise that 32.42 per cent is the percentage of the revenue that goes to the county government. We see this increment but when you move on the ground, there is no indicator that shows this increase as far as the revenue is concerned at the county level. This has largely been as a result of corruption. Corruption at the national level has been devolved to the county level. It is high time we put mechanisms in place. We hope that with the incoming of Archbishop Wabukala, the Ethics and Anti-Corruption Commission (EACC) will crack the whip so that the amount of money wasted is accounted for. We are told that about 30 per cent of revenue is wasted in the form of corruption.

I would like to talk briefly about the provision of Kshs5 billion emergency funds. Currently in this country, we have a drought crisis. Many Kenyans and livestock are dying. We do not know how this Kshs5 billion is being spent as far as the emergency is concerned. With climate change, we can no longer predict when the rains come or how we will go about the issue of strategic grain reserves. We are told that we are going below the threshold and that this Kshs5 billion is the money that must be used in emergency cases. There are people in this country who are starving and cannot get food on their table. It is also noted that at the county level, 2 per cent of the allocations should go to emergencies. We have many calamities and emergencies at the county level but we do not even know where this money is going.

Sometime back, we saw that there was a lot of money allocated for tea biscuits at the county level. This is wastage. In counties like Baringo and Turkana where there are drought

cases, this allocation for biscuits should not be encouraged. For instance, in my own county of Trans Nzoia, the allocation for tea biscuits was the highest all over the country. This has created room for corruption. We must have priorities. We cannot just go around allocating money to cases which are not a priority.

I also want to mention the amount of money allocated for the free maternity programme. It has been proposed that the money for the free maternity programme should go directly to the National Hospital Insurance Fund (NHIF). I find a danger in that. Initially, this money was a conditional grant to the county governments. We have seen governors going on record to say that they do not receive the money for free maternity. When you go to the villages, the pregnant mothers have not seen this money because of poor implementation. You make it worse when you propose that it will be in a form of reimbursement. We are not sure whether county governments will agree to waive this so that they can be reimbursed by the national Government. We have been seeing a lot of delays and this has affected the delivery when it comes to matters of free maternity.

We can have good equipment and facilities but human resource is very critical. Right now, we have the doctors' strike. I thought there would be a provision as we discuss this, whatever the case, so that doctors can be paid and the strike can end. I see a deliberate move in the lack of attention towards the doctors' strike. For how long will Kenyans die before we resolve this issue so that doctors can get back to save lives? It is very embarrassing that we have a working Government and no efforts are being put in place to resolve this issue of the doctors' strike. We know very well that many Kenyans are poor and cannot afford to go to private hospitals. It is high time the doctors' strike is declared a national disaster so that measures are put in place when it comes to appropriation so that this issue can be resolved.

If passed, the Division of Revenue Bill gives a basis for the Budget Estimates. We know that this is an election year and many things are done haphazardly or in a hurried manner. It is our humble request this time that we must pay attention as far as the budget estimates are concerned.

I also wanted to mention the Equalisation Fund. Hon. Lelelit tabled a constitutional amendment Bill. I do not even know where that Bill went. We had differences between this upper house and the lower house. It is high time we knew where that money is. Every year we allocate about Kshs7.7 billion. When you look at the reports, this money has never been disbursed. Where does this money go? We need to be told. Kshs7.7 billion being allocated for all those years is a lot of money. When this Bill came to the Floor of the House, there was a lot of lobbying. I am told that this is petty cash for some people. I am told that this is money that goes into the *Harambees* that we have been seeing all over in the country. Others are talking of money in form of campaign funds. It is high time we knew where this Kshs7.7 billion that we have been allocating during every financial year has gone.

Another issue I want to speak about is on the rehabilitation of youth polytechnics. Youth polytechnics are a devolved function. They are a function at the county level. It is good if the national Government is allocating a supplementary amount of Kshs2 billion to the county government. We need accountability because polytechnics play a critical role as far as imparting skills to those students who cannot go to universities and access diploma courses are concerned. In the Matiang'i results, so many people got grade "E". Where will those people go? We must give them hope. The only hope is for them to go to the village polytechnics to train in things like woodwork, carpentry and plumbing so that they can have a source of livelihood and improve their welfare. My humble request is that those funds must be disbursed in a timely manner to the

counties; the youth who did not qualify to go to higher levels of learning can be absorbed at those village polytechnics and be self-employed. It is a wonderful idea.

I want to mention something about the Level 5 hospitals. In this country, Level 5 hospitals were based on the former provinces. Each province has one Level 5 hospital. I am told there is one in Garissa. In Eastern Province they are advantaged with two: one in Machakos and another one in Embu. Those facilities host patients from other counties. They are given money. To my recollection, this money is given every financial year. We need to know: What are some of the tangible things on the ground that have improved these facilities? We do not want to allocate this money yet we are told that a lot of money is going into people's pockets. This money is very important because we have these critical hospitals at a higher level where people from other counties cross over to those counties because they have better facilities in terms of health care.

Another issue is about leasing of medical equipment. Much as we know very well that health is a devolved function, leasing of medical equipment is done by the national Government. Why is the national Government doing this? Up to now, I have not seen any leasing policy. Governors have worked under duress and have been forced to accept that equipment.

Hon. Deputy Speaker, I pray for you to be the Governor of Bomet. We should question why that amount of money is not being allocated to the county government so that it can take care of that. Why is the national Government taking care of a devolved function? Things are not adding up. There is a catch somewhere. These governors are being forced to accept that leased equipment which cannot operate without human resource. That is why we are calling upon the national Government, the county government and the Salaries and Remuneration Commission (SRC) to come together and resolve this issue of the doctors' strike because Kenyans are dying. For how long are Kenyans going to die? Even right now when it comes to voter registration, we are having a lot of voter apathy because of the doctors' strike. People are taking care of their sick parents and friends, so, they cannot reach polling centres. It is, indeed, important that the doctors' strike should not be taken lightly. It has to be resolved.

Hon. Deputy Speaker, as we move on, I also want to mention something on revenue collection in the counties. County governments which were municipal councils before were collecting higher revenue. Right now there is no full disclosure. The county governments because of corruption are not giving full disclosure of how much money or revenue they collect from levies. The law says that this money must be sent to Nairobi, but we do not know how much is brought. So, it is high time we had a framework in place to see how much money county governments collect in every financial year. You can imagine them setting a target of Kshs1 billion and they end up disclosing not even 10 per cent of that. A target is not just something you come up with. It must be realistic or a projection which has been done by evaluating some trend analysis. The corruption at the county level is what is killing this country. We are told that they have borrowed this from the national Government.

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

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

So, the national Government must lead by example and this has nothing to do with which side of the House you belong. I know that we are part of National Super Alliance (NASA) and we are going to NASA so that we rescue this country in 2017. That is why NASA is a reality. My Jubilee friends' days are numbered. When that time comes, they must be ready to pack and go home because NASA is a reality and it is coming to *nasa* you and rescue us from corruption, tribalism and nepotism.

Lastly, I thank the Budget and Appropriations Committee for the work well done. We have had a change in the budget cycle because of the elections coming in August. The Budget and Appropriations Committee has done very well. I congratulate the Reverend, Hon Mutava.

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

The Temporary Deputy Speaker (Hon. Omulele): Hon. Lelit, what is out of order?

Hon. Wakhungu: And Hon. Nyokabi for the work you have done for you have managed to bring the Division of Revenue Bill.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Wamalwa, let us hear what is out order from Hon. Lelelit.

Hon. Lati: Thank you, Hon. Temporary Deputy Speaker. I respect my friend Wamalwa and I wish him well because he will be the next governor of some county in western Kenya. But, we are discussing a serious matter for our country here. The Division of Revenue Bill is one of the most important Bills in our country because it determines what we get for the Equalisation Fund and the revenue allocated to the counties and the national Government. Is it in order for the Hon. Wamalwa to start telling us about something called NASA; an entity we are not aware of and it is not a registered party? Where does NASA come in the Division of Revenue Bill for our country?

The Temporary Deputy Speaker (Hon. Omulele): Hon. Lelelit, let us keep those matters that are out there, out there. Let us discuss what is here today. Hon. Wamalwa, let us stick with what is before us.

Hon. Wakhungu: Hon. Temporary Deputy Speaker, I want Hon. Lelelit to know that when you talk about vertical division of revenue; division of revenue between the national Government and the county governments, we are told that there is lot of wastage as per a report by the Auditor-General; that 30 per cent of the money is wasted. We see corruption cutting across the county governments and the national Government. That is why I said that when the NASA Government comes to power, it will show Jubilee governance.

The Temporary Deputy Speaker (Hon. Omulele): Very well, proceed.

Hon. Wakhungu: That is the context.

The Temporary Deputy Speaker (Hon. Omulele): Are you done, Hon. Wamalwa? We shall now have the Member for Nyeri, Hon. Priscilla Nyokabi.

Hon. (Ms.) Kanyua: Thank you, Hon. Temporary Deputy Speaker. I rise to support the Division of Revenue Bill and especially the allocations and the manner in which they have been done this year. I congratulate the National Treasury and the Budget and Appropriations Committee for the work we continue to do in improving the sharing of revenue between the national Government and county governments.

The Ksh323,757,000,000 is sufficient amount of funding for our counties in this country. With Kshs323 billion going to the counties, the only regrettable thing is that lives are not changing. We need to ask ourselves why that is so. The accountability question comes to the fore but Kshs323 billion for the next financial year is sufficient allocation for the counties.

We have the question of the formula pending and it is time the second generation formula was used so that we give more allocation to all the 47 counties. The assumption earlier was that if the marginalised counties got a lot more funding, then they would invest a lot of their money in development and catch up with the rest of the country. What we are seeing with the county funds is that corruption is from county No.1 to county No.47. Misuse of funds is from county No. 1 to county No.47. As we look at the second generation formula, there needs to be a higher allocation to those who exercise fiscal accountability better. It is time counties got money according to how they spend it. Counties should get money according to how much they raise. As we go into the future, some of those matters need to be addressed. But, in the meantime, we await the second generation formula which is going to be a lot more better in terms of how the Kshs323 billion is shared across the counties. As it is now, some counties are getting a lot more money than they can spend while some counties are getting very little funding that they can hardly keep up with services. My county of Nyeri falls in the latter category. We hardly get enough resources to finance the services that we need to finance for the people of Nyeri County. The formula has really been unfavourable to counties like my own. It is time that this formula is resolved and looked at.

On conditional allocations, most of which are covered well in the Bill, I wish to support most of them. This is leasing of medical equipment where 94 hospitals in all the 47 counties, two in each, are going to get hospital equipment worth the status of Level 5 hospitals. In Nyeri, we await equipment for the Mukurwe-ini Hospital. We hope with the Kshs4.5 billion here allocated, hospitals like Mukurwe-ini will get all the equipment we have been waiting for.

For the Level 5 funding, we have the Nyeri Level 5 Hospital, Provincial General Hospital. We are happy that the funding is sufficient; the Kshs4.2 billion for the 11 Level 5 hospitals. But, a question has remained why these monies cannot be sent directly to the hospitals. Sending funds relating to hospitals to county governments accounts does not help anybody. It does not help the hospitals and the county.

In my county of Nyeri, we have passed a law that requires every hospital to create a board and the office of the CEO where the hospital can receive the money directly and use it for purposes of improving lives and health care in that particular Level 5 hospital. There is a small matter in terms of the laws that we need to change and we in the Departmental Committee on Justice and Legal Affairs, myself leading that process, will be looking at the change of law so that money that belongs to a hospital, goes to a hospital. An allocation that is meant for a Level 5 hospital should go directly there. There is no reason why the money first goes to the county government accounts where the governor starts to make decisions on when to send it to the hospitals and when that money is going to be available at the hospital level.

On the construction of county headquarters, we have very few counties in this country that do not have headquarters. Our neighbour in Nyeri is Nyandarua and I am happy that there is an allocation to construct county headquarters for counties that do not have them.

On the rehabilitation of youth polytechnics, again Kshs2 billion has been provided for in the Budget. I want to urge that some of this money is used to pay the tutors. Tutors of our polytechnics have remained unpaid since the days of the Economic Stimulus Programme (ESP). Many of them were hired under the ESP. It is time that funding like this is also used to pay the tutors in the polytechnics even as we rehabilitate them.

There is the Fuel Levy Fund. Let me also add that the road network continues to be expanded. I think we should have a debate in this House whether the county governments have capacity to do tarmac roads. It has become a big question. What we should do is to allow the

county governments to do murram roads. They can do thousands of kilometres with the amount of money that has been allocated to them. The national Government can take up tarmac roads and we should insist that the tarmac roads should then have a unit cost per kilometre. We continue to spend a lot of unnecessary money on some of the constructions that we have.

In our neighbouring countries, the unit cost of building a kilometre of tarmac road is much lower than what we are paying here in Kenya. Having governors do tarmac roads is not helping. The funds that they have are barely sufficient for the services that they need to give.

We also need to look at the question of the doctors' strike. I was hoping that having received the Petition here in the National Assembly - and I will propose this matter in the Budget and Appropriations Committee - it was time that the Budget adopted a creative solution. Nothing stops the Ministry and the National Treasury from retaining the funds that should be paid to doctors at the national level. Nothing in law also stops the National Treasury from making conditional allocation on funds that should be paid to doctors. If we apply our mind to creative solutions on the doctors' strike, it is possible for this House and the National Treasury to provide a solution to the doctors' strike for as long as the doctors are not asking for backdated salaries. If doctors are going to ask for salaries going forward, there is before this House a Supplementary Budget, and there is this Division of Revenue Bill for the next financial year. Nothing stops the National Treasury from making conditional allocations for monies that should be paid to doctors by different counties.

Time has come for us to consider whether it was wise to devolve health in the first instance. We now have a very unhealthy country. We were unhealthy before but we are now twice unhealthy as we were before devolution. Our health standards were at some level before devolution. After devolution, our health standards are on the floor. We must, as a country, also take decisions. One of the decisions we need to take as the National Assembly is to revert the function of health back to the national Government. It will have problems even there but the problems are going to be much less than what we now have. Now we have 47 health problems. We have 47 unhealthy counties. We have 47 times the problems of what we had before in the health care system.

We need to generate a Bill that allows us to consider whether it was wise in the first place to devolve health and if it was not wise to devolve health, return the entire health function back to the national Government. We can split by allowing county governments to have some of the health functions like the dispensaries and revert the Level 4 hospitals and Level 5 hospitals to the national Government and most importantly, put back the entire personnel in the health sector to the national Government. It happened with the teachers. We never devolved education and so it should happen with health as well.

The joke in law has been that when we were writing the Constitution, the doctors were busy in the hospitals and so they did not take part in the constitutional review exercise. The teachers on the other hand, with a very strong Kenya National Union of Teachers (KNUT) were active in the constitutional review exercise that is why matters education are better addressed by the Constitution than matters health. But having passed a very progressive Constitution, other considerations can be done.

A National Assembly like ours can sit and review the matters under concern. A budget process like this one allows the National Treasury to come before us with creative solutions on solving the doctors' strike, for example, by retaining the money that should be paid to doctors at the national level and proceeding to pay the doctors so that the strike that we have can be ended at the earliest possible time.

We have the question of accountability and the unit cost of doing things. I have been in the Budget and Appropriations Committee. We had community projects funding. I have realised that Kshs10 million can put up a dormitory of 200 students without having middlemen and contractors. A dam can also be constructed with Kshs8 million when there are no middle men, contractors---

The Temporary Deputy Speaker (Hon. Omulele): I will give you a minute.

Hon. (Ms.) Kanyua: Thank you, Hon. Temporary Deputy Speaker. Just one minute to complete on the question of the unit cost. As we implement the Budget, we need to bring the unit cost of many of the things that we are doing down. Dormitories, classrooms and water dams should be cheaper to construct. Every shilling that we use in the funding and the Budget should be accounted for.

I support the Division of Revenue Bill.

The Temporary Deputy Speaker (Hon. Omulele): Very good contribution. In fact, I am glad to hear your contributions in regard to the issue of health in this country. I am sure that with your background in law and also being a Member of the Departmental Committee on Justice and Legal Affairs, we shall be seeing the relevant amendments that can go towards ameliorating that situation.

We shall now have the Member for Suna East who does not have his card.

Hon. Nuh: Thank you, Hon. Temporary Deputy Speaker, for giving me an opportunity to contribute to this Bill. This is a very important Bill for this nation. I remember the first year when we arrived here, this is one of the Bills that were so contentious and we debated whether the Senate has a role in it or whether it is the domain of the National Assembly to discuss it. The Senate took it to the Supreme Court to seek an opinion and the opinion said that they have a role to also look at it.

This is the Bill that divides the sharable revenue between the counties and the national Government. If I look at the pace at which these monies are devolved to the counties every financial year, I can say that it is the pace of a tortoise. In the last financial year, it was Kshs280.3 billion and this year it has moved to Kshs291 billion other than the conditional grants. That means it is just an increment of Kshs10 billion. I remember there was a time when the Constituencies Development Fund (CDF) was increased by Kshs5 billion. The soul of this new Constitution that this country is running on this time is devolution. This country tried for 50 years the central way of doing things in terms of achieving development in all parts of the country, but no development reached many parts of this country. That is why the framers and the architects of this Constitution came up with the idea of devolution so that people can feel and can achieve development in any part of the country.

Devolution will not achieve its intended purpose if serious money is not devolved. I know there are issues of corruption and bad governance. That should be addressed separately. We should not use that as a parameter to judge how devolution has performed in our country for the last three years. Every government, whether it is national or county, has its own challenges. The national Government has challenges of corruption as much as the county governments have.

For this country to achieve what it calls Vision 2030, I believe devolution can be one of the systems that it can use to achieve that faster. A lot of money that has been devolved is majorly conditional grants. An example is the Kshs38 billion for the lease of health equipment. Personally, I believe that was the huge burden on the counties. The counties have the capacity to lease this equipment by themselves. I believe this deal happened under very highly inflated rates to the disadvantage of counties. Now this is a huge burden and debt for the counties to pay. The

national Government should have devolved the policy on how counties can lease the equipment because they are the big brothers. They should have sent that document back to the counties so that counties evaluate their needs in terms of health services and the equipment they need to lease. However, this was a blanket conditional way of doing things where counties were told:

“We have leased for you equipment worth Kshs38 billion and because we are the ones who are going to give you money every year, we are going to tell you how much you are going to pay every year.”

Then they are deducting the same money at source. This was a big problem that was transferred to the counties. Many important functions other than security have been devolved.

Recently, all Class D roads covering 32,000 kilometres were given to the counties. I can see here only 15 per cent of the Road Maintenance Levy Fund has been given to the counties to maintain those roads when the Commission on Revenue Allocation said that 25 per cent of the levy should be devolved for the counties to maintain those roads in a proper manner.

(Hon. (Eng.) Gumbo consulted loudly)

The Temporary Deputy Speaker (Hon. Omulele): The Chair of Public Accounts Committee (PAC), please consult in a low tone.

Hon. Nuh: Hon. Temporary Deputy Speaker, I think for the 32,000 kilometres of roads that have been devolved to the counties to be maintained, enough funds should also be devolved. How can you devolve roads to the counties, some of which used to be maintained under the Constituency Roads Board, and yet you are allocating them little money? That means you do not want those roads to be maintained. Most of the roads measuring 32,000 kilometres in some parts of this country had not seen tarmac until devolution came in.

For the last 50 years in my constituency, the major road that goes to the District Commissioner's Office where government sits was a marram road until the county government came and put tarmac. Even though they may not have done it perfectly, it is better than the way it was. Therefore, I think there is a serious scheme to sabotage devolution in this country and portray it as having failed so that Kenyans can think of going back to the way they were being governed in the last 50 years. That is going to be the worst disaster that can happen in this country.

If you look at the Division of Revenue Bill, you will see that the amount of money that we will use this Financial Year is Kshs618 billion. I think that is close to 50 per cent of our revenue. That is what we will spend on debt servicing. The amount of money that you are devolving for this Financial Year is based on 2013/2014 audited accounts, and we are told that we are devolving 34 per cent. This is the case and yet we are discussing a Budget of Kshs2 trillion. But if you want to give money to the counties where 80 per cent of Kenyans stay – Nairobi can carry 10 or 15 per cent of Kenyans – you should base the money that you want to send to them on the audited accounts of 2013/2014. Then you claim that we are devolving 34 per cent this Financial Year. I believe if more money is devolved to the counties and corruption is tamed at the county level, this country will achieve faster development than it is today. It is only that the priorities of the Jubilee Government are upside down because if I were them, I would have devolved all the money that this country receives and hold the county governments accountable so that they can tell Kenyans what they have done with that money.

I have heard my colleagues say that health services should be returned to the national Government. Nothing could be further from the truth. What did we achieve in the last 50 years

when the health sector was being handled at the national level? We have achieved zero. The number of dispensaries, health centres and hospitals that have come up in the counties and the kind of infrastructure that has been put in place by the county governments is enormous. We cannot judge the health sector in the counties just because doctors are on strike. Doctors are on strike and have not gone back to work because of a poor industrial relationship. They should be engaged properly. For the last one month they have been on strike, the deaths are very high in my constituency and I am associating them with the doctors' strike. Every weekend we have four or five burials.

The Temporary Deputy Speaker (Hon. Omulele): The Member for Suna East, you have about 40 seconds to go.

Hon. Nuh: To conclude my submission, I urge the Budget and Appropriations Committee to increase the revenues that it devolves to the county governments. That is the only way Kenyans can get the desired development that they have wished for the last 50 years.

With those few remarks, I support.

The Temporary Deputy Speaker (Hon. Omulele): We shall now have the Member for Taveta.

Hon. (Dr.) Shaban: Thank you, Hon. Temporary Deputy Speaker. I also want to add my voice in supporting the Division of Revenue Bill, 2017. A lot has already been said but this is a very important Bill in the sense that it actually distributes money between the national Government and the county governments. We have come a long way, from the promulgation of the Constitution to the time the county governments came into being. We have seen a lot that has been done very well in some counties and badly in other counties. There is no need of pretending that most of the counties have done well. There are few examples but we need to face the facts that we all thought that devolution was going to change our areas in terms of development, empowerment of the people, food security and health provision. It is a highway of people at the county level to even do as they please. If we were all speaking in the same language and reading from the same script and knowing the meaning of what devolution was meant to do, then we would all be very happy with what is supposed to be happening.

It is not everybody who has not done what they ought to do. People should visit counties like Kwale County to just see the meaning of devolution and then appreciate what devolution is all about. People go for benchmarking trips to that place and when they leave, they have a different picture of what devolution is supposed to be. In some of our areas, we even find Members of County Assembly (MCAs) looking for offices trying and to hide themselves in some corners and even in dispensaries because they do not have a place where they can do their business. You find ward administrators running in the streets. They have nothing to do because they do not even have a place they can call an office where they can work for the *wananchi*. A number of these counties are not aware of what they are supposed to do and we are in the fourth year. We are just about to finish the first term yet they do not seem to have a clue on what they are supposed to do. A lot of money has been shared and it does not help us if we start complaining instead of looking at the best way that these people can use the funds which have gone down to them properly.

I need to point out that NHIF is the best vehicle that can be used for free maternity services. Why am I saying this? I want to explain. As the Departmental Committee on Health, we have really agitated for this for a long time and I am glad now it is coming to fruition. It will be very helpful. A normal delivery costs about Kshs5,000 to Kshs6,000. However, Kshs6,000 in a year can cover a whole family not only for the mother to deliver the baby but also cater for her

children and husband. This is the best way to go. I believe that this decision from the national Government, the Ministry of Health in terms of using the funds which were supposed to be for free maternity, in my opinion, should have come a few years back. It has come now though, but it is welcome because this money is going to be more useful and it will be accounted for in a better way.

We have heard governors complaining that at first they were not receiving the funds. The funds were being commingled. Once a mother has delivered a baby you are paid. The money is reimbursed when a mother has delivered a baby. You cannot just be given money which is budgeted for as a blanket. You had to give a bill for you to be paid. Now this money is going to be more useful because it will be used by the whole family for a whole year instead of just being paid for one delivery. I am very happy that women who are going to bring life to this country are going to have their families being catered for through the National Hospital Insurance Fund (NHIF), from the free maternity funds which have been availed through that route.

The other thing I need to point out is the issue of the village polytechnics where we think the money which is being allocated, should be distributed equally until we have all the village polytechnics getting to a certain level in terms of infrastructure and equipment. From there onwards, it can be looked at from the point of which ones should be expanded to be bigger than others depending on the population. The other thing that I need to point out is the leasing of medical equipment. Kenya is a signatory to maternal and child health issues at the United Nations (UN) level besides providing good health. Since Kenya is a signatory to the UN with regard to child health, the Government needed to make sure that most of the hospitals are equipped. From devolution, it is difficult for leasing to be done for the 47 counties. So it had to be done centrally and then the equipment distributed to all the other areas. When people understand it from that perspective, it is easier for them to appreciate what this is doing. Counties have appreciated that these equipment coming to them have employed enough personnel to utilise them. Their people are getting better health care because of this initiative by the national Government.

I do not know whether everybody appreciates that the buck stops with the President when it comes to the health of Kenyans. Yes, we are devolved but it is the Government of Kenya which is a signatory to most of these agreements where health must be provided to Kenyans. The other thing that I needed to talk about is, as revenue is being collected at the county level, most of the county governments are not able to collect their funds. Even when they collect their funds, they are not accounted for properly. This is because of the laws not being followed properly and people thinking they still had a window to misbehave. I hope that as we are going to the second term of devolution, funds which will be collected will be properly accounted for. It is not enough for the Auditor-General to just point out, this money was given for this yet it was not utilised for that purpose. It is important for auditors---

(Hon. (Eng.) Gumbo consulted loudly)

The Temporary Deputy Speaker (Hon. Omulele): Member for Taveta, you still have about a minute to go but I will add you a minute.

The Chairman of the PAC, I am sure you would be much enriched by the contributions that the Member for Taveta is making. She is offering a fairly good explanation on why this central procurement for health equipment was done by the national Government. This is an issue I am sure you would be looking at sooner than later. Kindly give an ear please.

Hon. (Dr.) Shaban: Thank you, Hon. Temporary Deputy Speaker. I do believe that as we are auditing the funds at the county level, people should have auditors going to check whether those projects have been implemented. People will be shocked that most of the projects which are on paper are not there on the ground. We need to have mechanisms for making sure that money is properly accounted for.

With those few remarks, I wish to thank my colleagues. I support.

The Temporary Deputy Speaker (Hon. Omulele): Member for Makueni

Hon. Maanzo: Thank you, Hon. Temporary Deputy Speaker for giving me an opportunity to contribute to this important Bill, the Division of Revenue Bill, by which in preparation of the Budget, we are able to show what goes to the counties and what remains for the national Government. Over Kshs300 billion is going to the counties and over Kshs1.2 trillion will remain with the national Government. Therefore, a lot is expected from the national Government though when you look at the Constitution on what was devolved and what remained at the national level, you may wonder why counties do not have enough funds. Though this is the first time we are having counties, these first governors have had a lot of challenges. They went through settling down issues and it has taken quite a while for the counties to move and for them to meet expectations of Kenyans.

Since devolution is here to stay, I believe with time, the governors and a number of Members here have expressed their intention to be governors after this Session--- We wish them well and hope now that we are debating here, they will do as they have been talking here and that counties will be better, devolution will be met and Kenyans will be served through the counties. The counties have a close proximity to the common man, the village where development should be taken in this country. The reason why for many years it was not achieved, was because the national cake was shared in Nairobi and some people never got it. The biggest worry to us is the issue of the monies for the Equalisation Fund for the poorest areas which have not been developed for a long time in the country and they have been identified and the Constitution is clear that this money should be executed through the national Government.

We are all aware of some law which was passed here. It went to the Senate and died somewhere and I doubt whether it can be revived. It does matter that the national Government should take initiative. There should be no need for a Kenyan to die of starvation, or Kenyans to be feeding on berries when we have the Equalisation Fund. For a Kenyan in the rural areas and in those particular counties which were demarcated--- In fact, on Equalisation Fund, there are many areas in the country including Makueni Constituency where development has not been equalised since Independence. Therefore, we may have to look at it in a different perspective in future so that equalisation becomes a reality. Even in some constituencies in Nairobi County, I am sure there are areas which are in the same constituency but definitely not equal. We may have to rethink that strategy in future now that for the last four years it has not worked the way it was intended.

The money- now Kshs7 billion - is lying idle at the National Treasury. It is not helping Kenyans. The issue of the emergency fund of Kshs5 billion is a very sad story. When there was *El-Nino* we never saw the Emergency Fund. In fact, it should be audited properly. Anytime you try to follow it up, you will be given all manner of excuses by the national Government. It was chaired by the Deputy President. I can assure him a lot of places ravaged by *El-Nino* have never recovered to date and emergency is still there. In fact, we are looking for other ways of mitigating it through the county allocation of 2 per cent. The Constituencies Development Fund (CDF) has a little bit of Emergency Fund. If you utilise the Emergency Fund properly, you will

be able to cater for all Kenyans who are in emergency situations like now the case of doctors' strike. Emergency funds could be used to save lives and stop the strike for a moment while other legal mechanisms are being sought.

(Loud consultations)

The Temporary Deputy Speaker (Hon. Omulele): Members, kindly, let us allow the Member for Makueni to have his time to contribute.

Hon. Maanzo: Thank you, Hon. Temporary Deputy Speaker.

The reason for saying this is because the doctors' strike could be mitigated through emergency funding while we make the necessary laws. We have realised the gap is in laws, some of which are pending before this House and some of which once passed, will go a long way to stop this sort of situation.

There is famine and I really want to thank God because the weather forecast is saying that we will have a lot of rain in a week's time. Therefore, we should prepare. That is good news that this drought situation is going to be over in the country. Again, this Emergency Fund should have come to play right now; to sink boreholes and make water available to Kenyans who have no sufficient water. We have enough water in the country. It is only badly managed at the county and national levels. If we manage all our water resources, we will have water for everybody. A drought situation will never be an emergency.

Therefore, while we balance the national allocation and the county allocation, I will really like to say that the National Government Constituencies Development Fund (NG-CDF) has been very useful to Kenyans. In fact, the only development Kenyans can see today is from the NG-CDF. Hardly will you see any other developments or a completed development that NG-CDF has not been involved in. In future, we need to think of how NG-CDF can be made better.

We had challenges from the courts. Some court decisions were made, they are being followed but the NG-CDF is very phenomenal. Its method of working reaches the common man very easily and addresses matters of the country very easily. In fact, I will be proposing that the constituency be made a unit of devolution the way it has been put in the Constitution. A lot of assistance to Kenyans happens at the constituency level.

While we look at improving the counties in future through these allocations, we really must deal with corruption which is the biggest problem at the national level and the county level. Unless we strengthen the Ethics and Anti-Corruption Commission (EACC), the country will lose the war on corruption. We have to improve the secretariat through law. I remember some laws were proposed in this House by Hon. Kajwang' but they were rejected. They would have gone a long way in solving corruption. Had Hon. Kajwang's' proposal gone through when we were dealing with the EACC, corruption would have been tackled 90 per cent by today.

The moment you have a secretariat which Kenyans have no faith in and which Kenyans believe is compromised, you have lost the war on corruption. We have to look at that law again and have a secretariat which has renewable terms of three years. By six years, a Kenyan will have served well. In Parliament, it is one term; one is lucky to have it renewed. The President's term is a maximum of two terms; one is lucky to have a second one. The same thing should happen to the institution fighting corruption and many other institutions so that they are competitive.

If you are to fight corruption in this country sufficiently, this division of Revenue Bill will become relevant. We are going to pass it and most of this money is going to sink into

corruption because we have no mechanism of dealing with it at the county level. We do not have proper mechanisms to fight corruption or we are not well empowered or facilitated. The EACC we have now is not well funded. Even with its own other weaknesses, it would do better if it was well funded.

While we pass this Bill, those are the areas that need to be looked at so that we can avoid the loopholes in the whole revenue allocation system.

The last one is on pending bills. The country has so many pending bills at the national level and at the county level. There are developments which were made by the counties against the law yet they do not know how to fund them.

We have revenue raised at the counties. Some of the governors see the legal loopholes. They have been opening private accounts to receive county revenue and they are able to present to the auditors reports avoiding some monies hidden somewhere. Counties have a capacity to raise a lot of revenue by themselves. If we are to be honest to Kenyans, we will do well in that regard. We need to seal all the loopholes through the law; this House is key. I am really wishing Members, because they are very experienced now, that most of them will make it back to this House - those who will not become governors or senators - so that we can complete that circle of making sure that the monies Kenya has--- Kenya is very rich. If well taken care of through law to ensure that no governor will steal, the national Government will not lose money unnecessarily. We will make Kenya great, greater and greatest.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Omulele): Very well. We shall now have the Member for Gatanga. Because our indicators there are not working, just note that you have a minute to go when you see my microphone come on.

Hon. (Dr.) H.K. Njuguna: Thank you, Hon. Temporary Deputy Speaker.

I also rise to make my contributions to this very important Bill. We are talking about allocating Kshs1.5 trillion between the national Government and the county governments in line with our Constitution. This is not little money. It is not Kshs1.5 million; it is Kshs1.5 trillion. It is money that can determine a lot in terms of economic growth and development in this country. I suppose all of us are in support of this Bill but, the fundamental question we are raising is in terms of implementation. All Kenyans have this question.

This country has gone through very fundamental changes in the last two decades. We have very fundamental changes in law, in institutions and even in policy. At one time we thought that if we were able to have the fundamental changes we have had in law, in institutions and in policy, then we would fix the problems in this country. The hallmark of this was the Constitution, 2010. All of us know what this country went through to get the current constitutional dispensation in place but, we are saying, yes, we even have a new structure of Government. We have the central Government and we have the devolved governments.

If you look at the objects of the new structure of Government in this country, Kenyans thought or wanted--- Our Constitution, like I have always said, was a product of social facts. So, Kenyans thought they would have development at the rural areas by having the new structure of Government. Kenyans thought areas that were formerly marginalised would now grow or come up and catch up with the areas that; perhaps, the hitherto central Government had not considered. Perhaps, we are now asking because we have been there. This Government has been there for the last four years. The new structure of Government has been there. Can we all rate ourselves and see what we have been able to achieve? We are not saying much. We cannot table much in terms

of development. We are still talking about frustrations that we are going through at the county governments; frustrations that we are going through as a country in terms of corruption.

In terms of the impact in development countrywide, we have a lot of questions. We cannot hide ourselves in the sand. I still remember this Parliament gave Kshs80 million to audit the new Constitution. We need to do a serious monitoring and evaluation so that we can see whether the intended objectives have been achieved.

There is the issue of the money that is going to wastage. Out of this Kshs1.5 trillion, the EACC is on record as saying 30 per cent goes to waste because of corruption. Recently, this House even agreed to the new chairman who is a retired bishop. This shows, perhaps, that this country requires divine intervention for some of these institutions to work. Therefore, the problem is that we can have Kshs1.5 trillion which we are now appropriating between the national Government and county governments. The question we should ask ourselves is: In terms of results, is there value for our money? Right now we are registering voters in this country. All over the country, there is apathy. People do not want to register. When you try to interrogate them, they say there is nothing on the table. When you question them further, they talk about: Can you tackle corruption in this country? Perhaps, we need to interrogate some of the areas where we are failing.

Article 10 of the Constitution talks about national values and principles of inclusiveness, rule of law and accountability. Every public servant must have these national values. If you are a public servant and you do not have these as part of your values, then perhaps you find issues like corruption creeping in.

Chapter Six of the Constitution on leadership and integrity must be operationalised. There is a systems theory that says you can have a very intact system which is not delivering. If the system is not delivering, then you look at the environment. The environment might be contributing to the systems failure. In this country, perhaps, we need to interrogate issues of leadership to find out if it could be the contributing factor in these issues of failure. Because now we have reforms in law, institutions and policy, we must address ourselves to the continued failure in terms of corruption in this country. The way to interrogate it, we should operationalise Chapter Six of the Constitution, even if it means repealing the Leadership and Integrity Act so that the spirit of our Constitution on issues of leadership is upheld. Until we operationalise that chapter, issues of corruption and bad leadership will continue messing this country. I look forward to a time when we can jail people involved in corruption, persecute them. Perhaps if we do it, we will be able to talk about transparency, accountability and results in terms of the money which we are appropriating today. It is our concern that this Kshs1.5 trillion, once appropriated, Kenyans will want value for this money.

Hon. Temporary Deputy Speaker, I rest my case.

The Temporary Deputy Speaker (Hon. Omulele): We shall hear the Member for Muhoroni.

Hon. Oyoo: Thank you very much, Hon. Temporary Deputy Speaker. I have been waiting on the wings for a very long time. This is a very important Bill. The Bill speaks to the plight of county governments *vis-à-vis* the national Government. It was well articulated here by the Chairman of the Budget and Appropriations Committee and his deputy. This Bill speaks about possible remittance of money that will enable the county governments to finish buildings that will house the county headquarters, monies that are supposed to go to hospitals and help maintain or spruce up medical facilities, monies that are supposed to go and help run the village

polytechnics, many of them in very dilapidated or near non-existent state, and many other projects.

This is not the first time we are talking about the Division of Revenue Bill in this House. We have spoken to this thing for a very long time. Today I want to talk about the challenges that this Bill is facing. The biggest challenge that this Bill is facing is, like my colleagues have articulated on the Floor of this House, corruption. The other one is negligence or lacklustre attitude of Government bureaucrats. These monies will be appropriated here and it will take the implementing authorities, the National Treasury, their pace and days to do remittances. In most cases, they misallocate. The monies that are meant for health are taken elsewhere to pay debts where they will get compensation. Sometimes some go to pay what has brought Kenya to its economic knees, the so-called debts, more so international debts. It is so intoxicating that this House, if we mean business, needs to come up with legislation that will force the national Government be subjected to public participation. In future and anybody in Government who wants to incur international debt must be subjected to public participation and the debt must be tabled in this House. The public, through their representatives who are Members of Parliament, should be able to debate and authorise debts.

The biggest channel of corruption is the so-called international debts. Government officers envisage any programme, roll it out, they get a Chinese bank that is ready to finance it, and they do it on their own. If you look at the evolution of all the public projects being undertaken through this mechanism, they are an eyesore. The expenditures cannot match the projects that are on the ground. We have a lot of priorities misallocated because of this. We have roads that need to be done, but they cannot be done because monies are taken elsewhere – to things that are not priorities. But because senior people in the Government want to make cuts out of them, those are the projects which are given priority.

We have the intention of sprucing up village polytechnics with a view to providing our children who are not able to make it to universities with ample opportunity to further their ambitions. But this cannot be done. This important notion is taken to the county governments and nothing happens. I do not know whether it is because they are in receptive stage or because most of the governors are former civil servants who grew up knowing that a public servant is supposed to earn very little, but get more money through corruption. If you know how to control the authorities then you can get away with corruption. Therefore, you find that very little is happening in the county governments, more so in areas like village polytechnics where we wanted to give our boys and girls – who do not have the opportunity to go to universities – another opportunity to further their ambitions.

We have lack of structures in the governments so that the county governments inherited departments which do not have staff. When they have staff and because the county governments are very local, the ones that are well trained run their things locally. Some people have run away, and the county governments do not have enough money to train and maintain their staff. We have a constrained government structure that cannot sustain the envisaged use of these funds.

We have constant misappropriation of funds everywhere. While we were always complaining that the national Government was full of corruption, I think corruption appears to have been devolved. It is occurring to the public that maybe this county government concept came without the Government preparing the mechanism. It is as if corruption was fully devolved to the counties. And there is no mechanism for arresting it. You find county and EACC officers, who are well known to the county governors and senior county officers, drinking together every evening. Misappropriations are done and they can see. There is nothing they can do because they

have since become part of this. I do not think much can be achieved through EACC. I have heard Members mumbling a lot of ideas. One time we sat in this House and pushed a Motion that was sending home the two senior most officers at the EACC secretariat. My good friend the head of EACC---

(Interruption)

Sorry, he may never reach that stage. He can never be the Head of the Public Service Commission (PSC). Hon. Duale is the Leader of the Majority Party in the 11th Parliament. The 12th Parliament will be a different Parliament. I saw him teasing my colleague, Hon. Johana Ng'eno. In my community we have a saying which says "When a chicken is slaughtered, and the intestines fall, the other chicken rush to try and eat that chicken not knowing that the next in line is their own intestines." Hon. Duale is my good friend. I like him very much. I sympathise with him because he is very hardworking. I always caution him not to be talking carelessly about Hon. Raila Odinga. The vibes I am getting is that he is in a more precarious position than Hon. Johana Ng'eno.

(Laughter)

The Temporary Deputy Speaker (Hon. Omulele): Member for Muhoroni---

Hon. Oyoo: Hon. Temporary Deputy Speaker, that was just a by-the-way because the matter was mentioned in my presence. I hope wherever he is, he is seeing and listening to me.

The Temporary Deputy Speaker (Hon. Omulele): I just wanted to seek clarification from you.

Hon. Oyoo: Yes?

The Temporary Deputy Speaker (Hon. Omulele): You have said that the Leader of the Majority Party is very hard working but in the same breath, you do not seem to have a lot of faith that he will make it back to this House after the forthcoming general elections. How do you put those two together?

Hon. Oyoo: Thank you, Hon. Temporary Deputy Speaker. "Hard work" in this case is defined in terms of his mandate in the House but out there, it is popularity that matters. He is working very hard in the House to please his appointing authorities, to the chagrin of his electors. The vibes on the ground is that if the elections will be conducted properly, he has a very hard task to retain his seat as opposed to Hon. Johana Ng'eno. I want him to walk and sleep while aware of that fact, because we live in Kenya.

All said and done, this Bill is very important. We need to fast-track it but the Government bureaucrats should stop delaying disbursement of fund. The funds should be remitted to the spending entities in good time. A child is born at the National Treasury but I do not know whether it is alive or it is just a good excuse being used by the National Treasury. Every time the Government realises that they do not have money to remit to the counties, or even to the Parliamentary Service Commission (PSC) for our services, they fake the excuse of "somebody" called "IFMIS". I do not know why IFMIS cannot be traced, put in his chair and required to sit there permanently so that the National Treasury stops using the excuse of IFMIS misbehaving every time they fail to remit monies to the spending entities in good time. I am saying so because currently the Executive uses a lot of money to campaign for an individual. Those who will be lucky to be in the 12th Parliament will find that even the seed money for the car loan and

mortgage schemes is not available until between six and eight months later. Such situation interferes with Members' plans. However, every time there is a presidential team going outside the country, the money is readily available. I do not know whether the IFMIS is there to interfere with the operations of the county governments and the PSC or this is about a tired senior officer who wants a better pay. Otherwise, this is a good Bill.

I take this opportunity to appeal to the President, because leadership is about minding about the citizenry. We must do something about the doctors' strike.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Oyoo, your time is up.

Hon. Oyoo: Please add me one minute

The Temporary Deputy Speaker (Hon. Omulele): You want an extra minute so that you can send this message to the President?

Hon. Oyoo: Yes, Hon. Temporary Deputy Speaker. We are not helping this country by allowing unwarranted deaths. As we wait, we get the excuse that it is the county governors who are supposed to negotiate with the doctors. When the governors came into being, the negotiations had been concluded. The Collective Bargaining Agreement (CBA) between the doctors' union and the Government had already been signed. We have to find a solution. The Government can either agree with the doctors or sack them and bring other doctors if they are able, given that it is not very easy to train doctors. We have a lot of money. We can cut spending on the Standard Gauge Railway (SGR) project, and on unnecessary campaigns within and outside the country, to raise money to pay the doctors.

(Laughter)

With those few remarks, I support the Bill.

The Temporary Deputy Speaker (Hon. Omulele): Message noted. We shall now have the Member for Kajiado South.

Hon. Katoo: Thank you, Hon. Temporary Deputy Speaker, for giving me the opportunity to support the Division of Revenue Bill, 2017.

My colleagues who have spoken have noted very key points. Let me just repeat one or two. The National Treasury, or the Government, has really tried this time round. There is an increment of Kshs10.8 billion or 0.12 per cent in the sharable revenue for the counties for the next financial year as compared to the sharable revenue for the current financial year. The counties this time will receive Kshs10.8 billion more. The total allocation is 31.12 per cent of the audited accounts of total revenue collected nationally in the last financial year. This is an achievement as compared to the constitutional minimum requirement of 15 per cent.

This Bill requires the county governments to plan, budget, spend, account and report on the funds allocated to them independently. My colleagues have talked about this requirement. Previously, we had a problem of governors refusing to give full disclosure of expenditure of the monies remitted to the counties and the revenue collected from within the counties. The county governments are not telling the people that apart from the money they receive from the national Government, they also raise a lot of revenue through levies. The governors have neither disclosed this nor accounted for that money. They have made people to believe that they just rely on the shareable revenue from the national Government yet many counties raise a lot of local revenues that are enough to do a lot of good things for the citizens. It is time the county governments made full disclosures of the revenues they raise locally and account that money.

Let me now talk about the national Government's programmes on the education sector. I expect the national Government to implement the programme of building a technical training institute in each constituency. I know that this is being done in phases. This is the last financial year of this administration's first term. I expected all the constituencies to have established technical institutes, as promised, by now.

There is also need for the Government to revive the school feeding programme not just for the period of the current drought but as a continuous programme. If this is combined with the Free Primary Education programme, we will have many more kids going to school. Many of the children in this country are from very poor families. Therefore, the Government needs to revive the school feeding programme as a permanent programme in all schools.

The Cabinet Secretary (CS) for Education had announced that there should be no levies payable by parents in primary schools. He talked of parents not even employing Parents Teacher Association (PTA) teachers. There should be no PTA teachers because parents should not pay any levies to the schools. That is a welcome move. Parents have not been paying because they have a lot of money. They have been paying because there are not enough teachers in school. Therefore, in order for the CS to have that directive implemented effectively, he should plan for the Government to absorb all the teachers who are unemployed. There is a shortage of 80,000 primary school teachers in the country and if they want to take the burden of paying from parents, then they should absorb all the teachers out there and there will be no P1 teachers in the schools.

The Government has done a commendable job with regard to energy. Given this Division of Revenue Bill, the last mile programme on electricity should be extended. I propose that the Government should connect electricity in all public institutions for free. I am talking about schools, health institutions and so on. The institutions should be left to meet the overhead costs, for example, the consumption bill.

On NG-CDF, I believe that this time round the National Treasury has not repeated the same mistake it made in the ongoing financial year that made NG-CDF lose Kshs10 billion. It was because of the formula they used in dividing this revenue.

Most importantly, I would like to bring to the attention of this House the fact that the national Government together with the county governments is budgeting for the financial year that will begin on 1st July this year. Therefore, this Division of Revenue Bill and the programmes that are proposed here both at the national and the county level will be effective as from 1st July.

I think it will also be good for us Members of Parliament to have proposals from our constituencies approved and factored. You need to allocate all the monies in conjunction with your NG-CDF committees. As we go to the tail end of this Parliament we will have done a budget for our NG-CDF for the Financial Year 2017/2018. We will seek approval as required by law and it will be effective as from 1st July. We are in a very tight situation right now because of drought. In fact, 21 counties are said to be in a very bad situation. I would expect the Government to write off the debts owed by both livestock and crop farmers because they will have lost much of their properties. None of them are surviving at the moment and therefore they will have nothing left to repay the loans. I call upon the national and county governments to chip in especially where services sought through loans are devolved by writing off such loans. They should come up with a livestock re-stocking programme after this drought season. They should also provide seeds to farmers for free when the rainy season comes.

With regard to polytechnics, the national Government has allocated Kshs 2 billion to build, equip and renovate village polytechnics. Since it is a devolved function and the national

Government is doing it, I would propose that the national Government should finance the constituencies. They should identify which polytechnics are going to be equipped or renovated at the constituency level. Since it is a share of national Government, going through the county government, the national Government should have a stake in identifying which ones. This is because the national Government is represented at the constituency level by MPs. Therefore, we are stakeholders in that and we should be involved.

The issue of wildlife compensation is a national issue. The national Government had formulated the County Wildlife Compensation Committees. Many crops have been destroyed and livestock killed and maimed by wild animals. Human lives have been lost and yet the compensation forms have been piling. The Bill is so high in the Kenya Wildlife Service (KWS). The national Government needs to factor in this Bill something to cater for that wildlife compensation for crops, livestock and human beings.

During these emergency cases, there is need for flexibility in responding to emergency and other temporary needs. I propose that we should stop long bureaucracies especially in procurement when we are procuring services that are of emergency in nature.

Hon. Temporary Deputy Speaker, the Vice-Chairperson of the Budget and Appropriations Committee is shielding me from your view.

The Temporary Deputy Speaker (Hon. Omulele): The Vice-Chairperson of Budget and Appropriations Committee, you are standing between the Hon. Temporary Deputy Speaker and Hon. Katoo.

Hon. Katoo: Thank you, Hon. Temporary Deputy Speaker. There is a recommendation that there is need for flexibility in responding to emergencies and other temporary needs. During times such as this when we have drought, we should bypass these long bureaucracies when procuring services of an emergency nature. Otherwise, it defeats the sole purpose of being an emergency. There is need for us to re-look our procurement laws so that anything that will be of emergency is handled fast enough without officers violating or abusing the law. All the Government needs to do is to seek approval from this House. Once we approve, we bypass the long bureaucracy. An example is when we are supposed to give relief food to people and yet we are required at the same time to take, say, three months doing procurement. That cannot be said to be an emergency.

I appreciate the fact that almost every sector has got an increment in the 2017/2018 Financial Year. I beg to support.

The Temporary Deputy Speaker (Hon. Omelele): Very well, Hon. Katoo ole Metito. We shall now have the Member for Kimilili.

Hon. Kasuti: Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to add my voice to this very important Bill. This Bill has given us a platform on which to distribute the revenue that is going to be earned in the Financial Year 2017/2018. It is the county governments which are the biggest beneficiaries. Whereas they have been called upon to raise revenue in their respective areas, most of them appear not to meet their targets. They are always below the target with no proper explanation.

I urge the National Treasury that, whereas we talk about corruption with regard to Government expenditure, we should find a way of ensuring that corruption does not persist. We should work out methods on how to cut down on corruption, which is generally a two way event and we cannot blame one side. We the people of this country should be working on ways of ending corruption.

County governments should be told that it is now time to send their budgets to the National Treasury. We have been talking about these things for the last three or four years. We should now ask them to send itemised budgets, so that we can know how the money will be spent. For example, we have managed to spend the money given through the National Government Constituencies Development Fund (NG-CDF) on the various items that were budgeted for. Spending currently stands at 100 per cent. Lately, we have had no cases of people being accused of misappropriation. That is one way of making sure that the money sent to various destinations is spent on items that it is meant for.

If you go to the ground, you will find the things for which the money was allocated and no issues will be raised as to how the money is spent. We cannot continue talking about corruption yet we are not doing anything to ensure that we stop it. This is a song that everybody sings about and we must cut it off and ensure that it does not take place in our society.

With regard to the various items that have been put in the Bill, whereas it is said that the amount of money the national Government allocates to the National Hospital Insurance Fund (NHIF) should be paid as reimbursement of the various bills that have been incurred by the county governments, this will be nearly impossible. County governments are known not to spend the money they ask for, but inflate their bills in order to get reimbursement. The money will then be diverted to other things that are not meant to be reimbursed in the various counties. The national Government, at the time of sending out this money, should look into how we can ensure that the money that goes to county governments is, indeed, for the NHIF claims as itemised in the various requests to the national Government from county governments.

At this juncture, I would like to thank all the Members of Parliament in the National Assembly who have elevated the expenditure of the NG-CDF. This time it has been spent well. The results that were published by the NG-CDF show how various constituencies have performed in the expenditure of the NG-CDF. We were 10th nationwide in Kimilili, second in western and top in Bungoma County. The President himself said that, that is the only way he reaches out to *mashinani* in various counties. The NG-CDF is the only project that is really felt by *wananchi* in various counties as a national Government project. I would like to urge the National Treasury to continue making sure that they fund NG-CDF projects as quickly as they can, so that these projects continue taking place in various constituencies for the benefit of all *wananchi*.

With those few remarks, I support the Bill.

The Temporary Deputy Speaker (Hon. Omulele): Member for Rarieda, you seem to be very restless today. It is not yet your opportunity to speak. I was just concerned that you are restless today. It is now the chance for the Member for Kaiti. It is not yet your turn. It is just that the Speaker is concerned about you.

Hon. Makenga: Thank you, Hon. Temporary Deputy Speaker, for this opportunity to add my voice to this very important Bill. The Division of Revenue Bill is very important because it allocates funds for development in the country. County governments are allocated funds by the national Government for utilisation.

It is the Members' concern that much of the revenue allocated to county government is not adequately or properly utilised. We have noted that there is rampant misuse of revenue in some counties. This is hard-earned money as taxes paid by the citizens, but the money ends up being misappropriated and misused. What is happening in some counties is really sad.

I want to give a case study in my county where the county government, the governor and his officers are so insensitive that they allocate money or undertake projects which they know are

a waste of money. There is a project in Makueni County to construct market sheds on the roadside without considering whether the land has a title deed or an allotment number. The market sheds and a public toilet that have been built on the roadside have been marked by the Kenya National Highways Authority (KeNHA) for demolition. There is rampant misuse of funds. It is very sad that those structures will be pulled down. It is the insensitivity of the county government in not appropriately undertaking projects which can impact positively on the citizens.

I want to comment about the allocation of additional revenue or money to village polytechnics. This will go a long way in ensuring that there will be a high rate of absorption of the youth. The youth in this country have become very restless and are getting involved in all manner of activities which are not productive. With this additional funding, the polytechnics will absorb the youth and they will acquire skills which will help them in their future lives.

Hon. Temporary Deputy Speaker, it is also important for me to comment on the issue of allocation of additional funds for maintenance of roads. It is unfortunate that in my county, there is no single road that has been undertaken by the county government for upgrading either to murrum or bitumen standards. I am very much concerned about the allocation that goes to my county because the absorption rate is very low. The 14 per cent absorption rate of the money allocated to Makueni County is very low. It is high time a proper and thorough audit is undertaken on this county.

I also want to comment on the issue of further misuse of funds. The cabinet executives of Makueni County live in Nairobi, 200 kilometres away. About eight officers reside in Nairobi and commute daily, in the morning and in the evening. That is mere misuse of funds and must be checked, so that public funds are utilised in an appropriate manner.

I want to raise a concern about pending bills in most county governments. No proper mechanism has been put in place to ensure that bills are paid promptly. Some of the counties have even caused people to commit suicide because of non-payment of bills. It is a sad story in some county governments. That is why the World Bank has allocated additional money to ensure that capacity building is done in the counties to ensure that there is proper management of finances.

The additional Kshs10 billion is an increase from Kshs280 billion to Kshs290 billion and it is a significant amount of money that if well utilized, can impact positively on the livelihoods of our citizens.

It is also worth commenting that the NG-CDF is very visible in some counties. It is unfortunate that the NG-CDF remains a meager Fund that is doing quite a lot and is felt everywhere. But when it comes to county governments, there is very little that can be seen and we feel that more money should also be allocated to the NG-CDF and more stringent measures put in place to ensure that county governments do not misappropriate funds. It is also high time that Parliament enacts a law to provide that people who engage in corruption or embezzle public funds are not only sent to jail, but also hanged.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Member for Kaiti, do you want a minute? Okay, you can have one.

Hon. Makenga: Kenya is one of the countries in the world where citizens are highly taxed. It is very sad to find that the same taxes are misappropriated by few individuals who are very insensitive. So, it is like we are breeding a very insensitive society. The Budget is adequate to propel economic activities in all parts of the country. Therefore, any misappropriation or embezzlement of funds must be put to an end. We should open a new page now that we have a

new Chairman of the Ethics and Anti-Corruption Commission (EACC). He should put his foot down and ensure that many people are put in the dock to answer questions relating to corruption.

I thank my colleagues who have positively contributed towards this important Bill. We look forward to proper utilisation of public funds.

Thank you.

The Temporary Deputy Speaker (Hon. Omulele): Member for Kaiti, did I hear you say that those people who have been charged or convicted of corruption should be hanged? I hope you will put together a Bill to that effect and bring it to this House. I am sure Hon. Ababu will have quite a bit to say to that when we bring it. Having said that, those are your contributions. We shall now pay respect to our rules and allow the Leader of the Minority Party to have his say.

Hon. Nyenze: Thank you, Hon. Temporary Deputy Speaker for giving me this chance to contribute to this very important Bill. On the outset, I support the Division of Revenue Bill. It is my wish that the National Assembly will increase the allocation to counties from 31 per cent to 50 per cent because devolution is the biggest gift the drafters of the Constitution gave to Kenyans. If it were not for devolution, the economy would be growing at something like 3 per cent, but because there is some activity in every county and even in areas that were neglected previously, we can now see economic growth of 5.6 per cent. I am sure with time, it will move up. What will make it move up? What will make the economy grow faster is allocating more money to the counties.

Members who have spoken before me have talked about corruption which holds back development and economic growth. I agree with them. Apart from corruption, in the Auditor-General's reports, we see that nearly 30 per cent of the Budget goes to waste and you cannot account for it. If you add corruption to that, very little is done to solve the problems that face our people. Corruption is everywhere. It is in the national Government and also in county governments. It is also in this National Assembly. I said earlier that if we want to finish corruption, then the fight against it should start with us. Let us start by not doing contracts with different organisations. Let us stick to business.

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

The Temporary Deputy Speaker (Hon. Omulele): Hon. Member for Lugari, what is out of order?

Hon. Angatia: Thank you, Hon. Temporary Deputy Speaker. I would like the Member who is on the Floor to justify or clarify how corruption is in this House. We are Hon. Members and this will not go down well with our electorate. Please, substantiate. If there is no substantiation, the Member should kindly withdraw and apologise without conditions.

Hon. Nyenze: Thank you, Hon. Temporary Deputy Speaker. If you look at the usage of the NG-CDF, the reports that we get from the Auditor-General on the audited accounts and the reports that we peruse through in the Public Accounts Committee (PAC) and the Public Investments Committee (PIC), you will realise that many Members of the National Assembly and the Senate are implicated. So, we can start by cleaning ourselves. The Bible says that you should remove the log in your eye before you catch the small piece in your brother's eye. I do not want to dwell on that because I know Members will want to defend themselves.

However, we have learnt that corruption is bred everywhere. The first way to fight it is to accept that corruption has permeated every sphere in this country. Once we accept that, we will know how to fight back.

In my constituency and in my county of Kitui, you see every big hospital with a big gate and if you enquire about its construction, you are told that it cost Kshs5 million or Kshs10

million. Interestingly, the hospital has no fence. Dogs and people move everywhere. You start asking yourself why they erected a gate without a fence. That is what we call wastage of resources. We have also heard of wheelbarrows costing so much money when we know the cost of a wheelbarrow. We have heard of unnecessary trips which are called benchmarking trips and some governors live like kings. You go to some counties and find governors ferrying their toilets in every place they go. Even if they come to your homestead as visitors, they will carry them. They store them in Prados. This is wastage of resources and it is corruption. I do not want to dwell on that because it has been talked about.

For us to have a good Budget, we do not have to reinvent the wheel. We should just ask countries that are doing very well, for example, China and the Asian tigers, what they have done. They concentrated in very few areas. First is agriculture. They insisted on value addition. This song has been sung. More money should be deployed in agriculture because it touches so many people. The other one is infrastructure development. That is what the Government is trying to do with the Standard Gauge Railway (SGR), developing ports and airports. Then there is manufacturing. These are the kind of things that would create jobs for the youth. The next Budget, not the 2017/2018, has to look at those areas for this country to grow at a double digit rate. That way, everybody will eat part of the cake.

There is drought everywhere in this country. I want to appeal to the Government that it is not the county government that can tackle this problem. The national Government has to provide relief food to all the 23 counties. It is not 23 counties only. I have seen sugar cane drying up in western Kenya. Since I was young, I have never seen drought in western Kenya. This has affected everybody because of climate change. Let food be distributed to save people. I have seen people from Turkana and other areas so emaciated. Their cows and camels are dying. Let us create an emergency fund with enough money through the national Government to address this problem before it is too late.

However, the long-term solution to this is water harvesting, storage and distribution. The areas that have been agriculturally productive like western Kenya, the Rift Valley and Mount Kenya region are so populated. If you go to North Eastern, some parts of the Rift Valley, Lower Eastern and some parts of the Coast, you find a lot of land which is less populated with seasonal rivers, but no water storage. There are no big dams. The Government should put in place a mechanism of building mega dams in every county for irrigation purposes. This rain-fed agriculture will not take us very far.

The cry of the people of my constituency, Kitui West, is school fees for secondary school students. The people from Kitui West and I am sure even Tiaty where Hon. Osman Kamama and Hon. Tiyah come from, school fees for secondary school is a big problem. When a Member of Parliament wakes up he is asked for school fees for needy children. They tell you that their children have been sent home for school fees. The next Government has to consider making secondary education free of charge because that is what is troubling most Kenyans. They know the importance of education, but they cannot educate their children because they are too poor to raise the fees that you think is too little. If it is made free and we embrace education, we will sort out most of these problems.

The other problem is health insurance for all people. If we promoted and streamlined the NHIF and made it practical and mandatory for everybody to have the NHIF card, we will sort out this problem of corruption in hospitals. The problem of regularly fundraising for someone to be taken to hospital will end with mandatory NHIF cards. People are dying in houses because they cannot afford medical expenses. They choose between buying food and taking their patients to

hospital. Members can confirm that what I am saying is the truth. Therefore, those two things should be made available.

About devolution, I have heard some Members say that because of the challenges we are facing in the health sector, we should return it back to the national Government. They cannot be wrong than that. Devolution means devolving power, responsibilities and resources to match those activities to the counties. Let us not return the health sector functions to the national Government. Let it be managed properly and let us also fight corruption.

With Archbishop Wabukala at the EACC, a man of God who will pray first and lead people by example, I am sure this time we have got it right. We will pray and besides praying, show by action and be very firm. Watch this space. I can see good things coming. Do not lose hope. We will fight corruption.

The Government has done well to connect many people to the electricity grid. However, in a place called Mwangya in my constituency and other places, they put some poles and there is no electricity. They put a transformer that blew off and when people reported, they carried it away. It is now about a year and there is no electricity. They keep on complaining. Let the Ministry of Energy make this straight. We, as the representatives of people are tired of not getting connected when the Government believes it has connected everybody.

It is very unfair that in some places, there are schools which are very near to the grid and some corrupt officials or contractors install solar panels in those schools. Solar panels are not connected to the grid. All the schools that are near the grid should be connected to electricity and the Ministry of Energy should import proper transformers and fix them. This will ensure that the Ministry of Energy does not lie to people that they have connected them to electricity.

The cost of living is very high. I want to request the Budget and Appropriations Committee to streamline taxation. When you tax things like petroleum or fuel, you touch every Kenyan and you are taxing the poor people making them poorer when there are other people who are rich and have so much to be taxed, but they are clever and never get taxed. Next time, when we look at our Budget, let us make sure that we do not tax things like petroleum products highly. Everybody travels and manufacturers use fuel.

We from Kitui County are lucky that we are so endowed with minerals. We have more minerals of more networth than Turkana and Taita Taveta. We have the best lignite coal in the world, which has never been extracted. Ten years down the line, the people of Kitui have been told that the Government is building a power generating plant in Lamu, yet the coal is in Kitui. Let that business of Lamu stop. Let Kitui have the factory, produce electricity, supply and export. We have coal that is worth over Kshs10 trillion, which is more than what Tullow Oil has discovered in Turkana. We also have more limestone than in Athi River and Bamburi, but to date, we keep hearing that Dangote is coming to set up a factory. Seven years down the line, nothing has happened. Are we the people of Kitui County cursed despite all the minerals that we have including iron ore?

The Temporary Deputy Speaker (Hon. Omulele): Leader of the Minority Party, you have one minute.

Hon. Nyenze: Since I have one minute and I am the Leader of the Minority Party, I can have discretion. If we can harvest all those resources that we have, prioritise, map up Kenya and do the right things, this country will be very beautiful. I have heard friends and tourists who come to Kenya saying we have the most beautiful country. I ask them why and they say that we have sunshine, best animals, the best coastline and great people who are enterprising and friendly. We are only waiting for take-off. We have everything going for us. Let us put our act

together. Let us consult as much as possible and let us move towards one goal by making a Budget that is friendly to the common *mwanaanchi*. We have done public participation and so, we know what hurts our people.

In my constituency, headmen are never paid. At least, sub chiefs and chiefs are paid. I am sure this happens in other constituencies. Next time, let us factor in some money to pay headmen in the villages because they do a lot in terms of gathering information. The leaders of *Nyumba Kumi* initiative should be given some token because they are the ones who watch over us when we are asleep.

With those few remarks, I support and wish that these Members will come back especially if they have worked well for their people.

Thank you.

The Temporary Deputy Speaker (Hon. Omulele): Very well. I see there were many interventions when the Leader of the Minority Party was speaking. I am sure Members wanted to interject on the quantities of resources in different areas of the country. These are resources that still belong to all of us. So, we will not go into issues of where there are too much or too many. All of them belong to Kenya and all of us shall enjoy them.

We shall now have the Member for Samburu North.

Hon. Lentoimaga: Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity.

I rise to support this Bill. This is a very important Bill in our country. As other Members have said, it is part of sharing funds between the counties and the national Government. I think one great thing that 14 counties were waiting for is the Equalisation Fund. The national Government had sent Principal Secretaries (PSs) to the 14 counties to consult and decide on the projects that were identified by leaders and the local people. It is now almost two months since that time and some of us from these counties are really eager. We are eager and waiting patiently for the national Government to advertise projects that were identified by the local people and the leadership in those counties.

Money has been devolved and revenue has also been agreed upon for only three sectors between county governments and the national Government. The other funds have been flowing very well. I am surprised and I am wondering why the equalisation funds which are provided in the Constitution are not being given to our people, so that we can slightly rise to the level of the other counties that have enjoyed development for more than 50 years since Independence.

The amount that was meant for those counties would have gone a long way to alleviate the problems of poverty, assist in provision of water and other amenities.

The other issue is counties getting money. My county does not get enough. It only gets Kshs3.8 billion which has somehow changed the development scenario in the county. Because of marginalisation, some of these counties have lived without any development for 53 years. Nothing has been done before for all those years. At least, devolution has changed them, but the issue about disbursement has been a big problem especially when it comes to emergency funds. There is a lot of bureaucracy when it comes to emergency funds especially when we have an emergency like drought. There is money, but the bureaucracy in the Government, at the National Treasury and even in the Civil Service is so huge that this money cannot, sometimes, even rescue life when we have problems.

We currently have a serious problem of drought in my constituency and in Samburu County at large. There is lack of water, livestock are dying and there is no food. Counties are

struggling. The national Government is also struggling, but the issue is about bureaucracy and the problem of disbursement.

On the issue of buying livestock, the other day the Government agreed that they can buy lean livestock and take them to the Kenya Meat Commission (KMC), but we have said no. Those animals cannot reach KMC. They can only be slaughtered on the ground and meat be distributed to the local people to provide protein for our people, while they are being given maize or other rations. But the problem again is that the number of livestock allocated is so small.

In Samburu North, only 300 cows have been identified for off-take which is a drop in the ocean. We urge the Government to increase the number of livestock being bought by the Government. The Government should increase that funding to salvage our people because drought is really biting. There is also a problem of water shortage. Water is life and we are unable to rescue our people from thirst and lack of water to even prepare food. If you give people food and there is no water, they cannot eat that food.

Concerning the issue of the doctors' strike, we have a problem. The Government needs to take a decisive action. They should engage in dialogue with the doctors to save our people because many people are dying. Many Kenyans cannot afford services in private hospitals. We urge the Government to take the initiative, bite the bullet and sit down with the doctors and agree on an agreement that can return the doctors to their jobs, so that suffering of our people can be stopped.

With regard to the issue of equipment that were purchased and allocated to counties, that is a milestone for Samburu County, particularly Samburu North Constituency. We have been suffering and losing lives. The only public referral hospital is in Nairobi. Now we can do some diagnostics in our counties. That way, we can save lives in our county hospitals. Tests are now being done at the counties unlike before. We are looking forward to diseases like cancer and diabetes being diagnosed and treated at the county level. Therefore, I disagree with Members who are suggesting that we go back to where we were before. That would take us back and we would suffer more.

I want to congratulate the Jubilee Government because today I saw in the newspapers that Posta-Maralal Road has been advertised for tarmacking. This is something we have never seen before. We love this. We want to support that initiative. We want to request the national Government, under the wise leadership of Uhuru Kenyatta, to do the same from Maralal to Baragoi up to Loiyangalani. We look forward to when the Jubilee Government takes power again in the next elections. We are sure they will, so that the project can extend to Loiyangalani. We yearn for that road that can open up Samburu County for economic development, employment and even exploitation of enormous resources available in our county.

With those remarks, Hon. Temporary Deputy Speaker, thank you for giving me this opportunity. I support.

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

The Temporary Deputy Speaker (Hon. Omulele): What is out of order, the Member for Tiaty?

Hon. Abongotum: Thank you very much, Hon. Temporary Deputy Speaker. This being a very popular item in our calendar, I want to request Members that, because of the high interest, we use our discretion to speak for two or three minutes so that other Members can also get time to say something. It is my humble request.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Members, that kind of intervention should have happened at the beginning of the debate. However, we are all Members

of this House and we all want to speak. Are Members agreeable to what the Member for Tiaty has suggested, so that we do three minutes each to enable every Member to say something?

(Loud consultations)

If we do five minutes each, we will shut out some Members because I have 13 requests. Let us have three minutes each so that, at least, everybody can have some say on this debate. Let us move on.

The first one to speak under this regime shall be the Member for Rangwe, Hon. Ogalo.

Hon. Ogalo: Thank you, Hon. Temporary Deputy Speaker. This is a constitutional Bill that this House is required to process every financial year. I thank the Chair of the Budget and Appropriations Committee, who moved it in the House this afternoon. The figures are very clear. Many Members have raised concerns on the various figures. With the time I have, I would like to note the conditional grants provision of Kshs9.6 billion for health care, considering that the county equitable share also has money for health care. This House needs to look for a more proactive way of funding health care in this country.

During the recess, I was in my constituency and I found staff of a health centre in my locality striking for not having been paid for six months. Electricity in that facility had been disconnected and there was reverse referral from the health centre to a dispensary. I took time to speak to the committee members of that health facility. It is very sad that the Government insists that health care will be free in public facilities and then fail to follow through that policy with remittances of financial resources to those facilities. I found that at that facility, money had not been remitted since April last year and yet this is a facility that serves very many people. In my opinion, we can use the Division of Revenue Bill, when it becomes an Act, to safeguard the money meant for health facilities. The money can be sent directly from the National Treasury to the dispensaries and health. We all go to dispensaries and sub county hospitals. That way, those facilities will be financed and they will offer the services that the Government claims are supposed to be free in those facilities.

Hon. Temporary Deputy Speaker, devolution has taken services closer to the people; at the grassroots level. The Early Childhood Education and Development Centres (ECDCs), for example, are closer to the little children in residential neighbourhoods as opposed to primary schools, which are located in central places.

If you look at health, it was brought to be looked at by county Governments because---

The Temporary Deputy Speaker (Hon. Omulele): Hon. Oner, you want one minute?

Hon. Ogalo: Yes.

The Temporary Deputy Speaker (Hon. Omulele): Alright, I give you an extra minute.

Hon. Ogalo: Hon. Temporary Deputy Speaker, the county governments are better placed to run health care services. The inefficiencies that exist can be solved. The peculiar diseases found in the various parts of Kenya can be dealt with better by the governments of those areas. The diseases in Homa Bay are not the same as those in Turkana. They have different forecasts.

The Temporary Deputy Speaker (Hon. Omulele): Very well. Member for Bahati, it is now your turn.

Hon. Ngunjiri: Nashukuru, Naibu Spika wa Muda, kwa kunipa nafasi hii. Nimesimama kuunga mkono Mswada huu lakini pia tunayo mambo nyeti ambayo tunahitaji kuangalia, sisi kama Wabunge.

Kwanza, tunajadiliana mambo ambayo hatuna uwezo kuyahusu. Kila mara tunalaumu Serikali ilhali sisi ndio Serikali. Tukiwa hapa, tuna mikakati ya kisheria ya kumwita Waziri yeyote ili kuchunguza mambo ambayo tunataka yawe ni kuhusu fedha ama mabadiliko ambayo tunataka. Lakini ninaona tunalia tu bila kuona tuna uwezo wa kufanya hilo jambo. Nakubali kuna mambo nyeti ambayo tunayazungumzia hasa kuhusu serikali za kaunti. Kuna kaunti zimefanya vizuri sana na kuna nyingine ambazo zina shida. Hata hivyo, tuna uwezo wa sheria kuchunguza ni nani amekosa kufanya kazi yake.

Ndugu zetu katika Seneti, mimi naona wana shida. Hii ni kwa sababu wakipendekeza na kupitisha kwamba pesa zipeanwe kwa kaunti, sisi hapa tunapitisha hilo. Mwenye kuangalia fedha akitoa ripoti yake kusema pesa zimefujwa sioni Seneti ikifuatilia. Kwa maoni yangu, Seneti iweze kusema “tulipendekeza hii na ikapitishwa, lakini hii pesa imetumika vibaya.” Pengine ni kwa sababu wengi wao wanataka kuchukuwa hivyo viti vya magavana. Nafikiri ndio maana hawataki kuunda sheria itakayochunga hizo pesa. Tunazungumza mambo ya kupatia makaunti pesa lakini hatujadiliani kuhusu ile pesa wanayokusanya. Hatuoni wala hatusikii. Hizo pesa ni zao za kula. Ni pesa za wizi na za kufujwa.

Mbeleni kulikuwa na mabaraza ya miji na manisipaa. Mfano ni manisipaa ya Nakuru ambayo ilikuwa ikijisamamia bila kupewa pesa na Serikali. Wakiongezewa ilikuwa ni pesa kidogo kutoka kwenye hazina ya Local Authority Transfer Fund (LATF). Sasa hii wanapewa pesa nyingi na Serikali lakini Maseneta hawafuatilii pesa ambazo wanatoza watu ushuru. Ni muhimu Seneti ifuatiliie kwamba Kenya Revenue Authority (KRA) iwe ikitoza ushuru.

The Temporary Deputy Speaker (Hon. Omulele): You have one more minute.

Hon. Ngujuri: Kwa sababu nazungumzia jambo nyeti. Itakuwa bora tukipitisha sheria kuwa pesa zote zinazokusanywa katika makaunti ziwe zikiwekwa na Serikali mahali fulani. Hizo pesa zitakuwa ni zao tu lakini tujue zile wataongezewa na zile wamekusanya ni ngapi. Bila kufanya hivyo, tutazungumza mengi na tutaendelea kuwa na shida kubwa.

Kwa hivyo, ninaunga mkono huu Mswada lakini tuweke mikakati ya kutosha ili tuweze kujua pesa ambazo zinatozwa ushuru ni ngapi. Tunasikia kwamba hata zingine haziwekwi kwenye akaunti ya kaunti. Hizo pesa zinapatiwa mawakala ambao wanakusanya hizo pesa. Baadaye hizo pesa hazirudi kwa wananchi hata kidogo. Hayo ndiyo maoni yangu na ninashukuru kwa kuniongezea muda.

The Temporary Deputy Speaker (Hon. Omulele): Thank you, Member for Bahati. We shall have the Member for Budalang'i.

Hon. Ababu: Hon. Temporary Deputy Speaker, anyone asking me ---

The Temporary Deputy Speaker (Hon. Omulele): Hon. Member for Isiolo, the Hon. Temporary Deputy Speaker takes notice that you actually just walked into the Chamber about 30 minutes ago, you will have the opportunity. Let the Member for Budalang'i speak.

Hon. Ababu: Hon. Temporary Deputy Speaker, anytime anyone asks me an achievement that I am most proud of for the nine years that I have been in this House, I have no hesitation other than to state the great work we have done in Budalang'i to control floods and develop infrastructure. I have no doubt saying that having co-chaired the Committee that shepherded this country to a new constitutional dispensation, that ranks as my proudest contribution as a Member of this House. The jewel in the crown of this new constitutional dispensation is devolution without any doubt. If there is anybody out there who believes that devolution could be rolled back or we could go back to the highly centralised system where everything originated and was controlled from Nairobi, then, they are living in the past. Devolution is a train that only has one gear and that is the forward gear and it cannot be reversed. Therefore, any time we have the

opportunity to allocate resources to keep oiling this machine - this wheel of devolution - we must never hesitate to make it easier, better, bigger and more effective.

Even as we give more resources to devolution, we must not shy away from discussing, considering and seeking ways of solving and addressing the challenges that face devolution. For instance, the devolution of health care services has been beset by myriads of challenges. Today, without a doubt, health care is not health care as it was when it was under the national Government. Whereas we cannot reverse such a service back to the national Government, in fact, it will be remiss to even imagine or start thinking that we could reverse such a service to the national Government, we must confront head on the challenges and reasons why a devolved function such as healthcare is not functioning effectively. It is not just about money. It is about management. It is about prioritisation. It is about the manner in which the whole service is being run. Let us divide revenue in such a way that devolution keeps growing, but at the same time, let us confront the challenges facing devolution.

Another issue is corruption. I am on record for saying this and I will repeat it here without any fear of contradiction that corruption is corruption, whether it happens in Nairobi, Lodwar, Busia or Kwale. I find it rather dishonest for those who only see corruption happening--

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The Temporary Deputy Speaker (Hon. Omulele): I will add you one minute, Hon. Ababu. I interrupted you.

Hon. Ababu: Hon. Temporary Deputy Speaker, you had interrupted me. I will conclude by saying that we should condemn corruption in equal measure. It is dishonest to condemn corruption happening in the national Government and close our eyes to corruption happening in counties. Let us treat corruption as corruption and deal with it as a cancer that must be confronted head on.

Otherwise, I support this Bill and urge this House that, whatever happens, we must make devolution work by all means.

The Temporary Deputy Speaker (Hon. Omulele): Very well, Hon. Ababu. We shall now have Hon. Letimalo, Member for Samburu East.

Hon. Letimalo: Thank you so much, Hon. Temporary Deputy Speaker. I want to thank you for being understanding and using your discretion to reduce the time to enable us to contribute.

Given that I have three minutes, I just want to say that I support the Bill. Talking about the Equalisation Fund, up to date, this Fund has not been utilised. The framers of our Constitution had reasons to include that clause. Sessional Paper No.10 of 1965 is what created unequal development in Kenya. This Constitution was trying to bring the counties that are not well developed at par with others. We want to appeal to the authorities and more so to the National Treasury to ensure that these funds are utilised before the end of this parliamentary term.

Second, is about the conditional allocations. Youth polytechnics are one of the institutions that have been defeated from the conditional allocations. Gauging from the results of the Kenya Certificate of Secondary Education (KCSE) last year, the number of students that will join public and private universities is lower compared to the previous years. This means that majority of them will have to join middle level colleges. One of the institutions that will offer space for those students will be polytechnics. Because those funds will go to county governments since polytechnics are devolved, I want to appeal to them to use those funds to develop polytechnics and even start others.

There are polytechnics that were started by the NG-CDF and some of them have been left at the same state they were when it was assumed they will be taken over by county governments. We would like to appeal to them to complete those polytechnics because they will give the youth skills and create employment for them.

Lastly, yesterday we debated a Motion on Persuasive Voter Registration although some of us did not get time to speak on it. We are talking about registration of voters which is a very critical on-going exercise. Those of us from Arid and Semi-Arid Lands (ASALs) are experiencing a severe drought. The majority of our youths are herding livestock in search of water and grass. Many of them may not register as voters. I would like to appeal to the Independent Electoral and Boundaries Commission (IEBC) that, in addition to following these youths to register, there is need to extend the period of registration to ensure that every youth who has not acquired a voters card has an opportunity to get it.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Ken Okoth, Member for Kibra. I want to give you your three minutes and thank you because you have been here since 2.30 p.m. and you have been on the queue and patient enough. It is your time now.

Hon. Okoth: Thank you, Hon. Temporary Deputy Speaker. I am glad you noted my presence and diligence in the House. As one of the representative from Nairobi County, one of the heaviest counties with 17 constituencies, I am happy to contribute to this debate.

The Division of Revenue Bill is important. As it has been said in our new constitutional system, devolution is a crown jewel. I have listened carefully the whole afternoon and I heard some conservatives in this House wanting to claw back on the gains of devolution. Actually, that helped me to guide my thoughts. As you look at this Budget and the Division of Revenue Bill to share the revenues, you will notice that allegedly, 32 per cent of the money is going to the county governments, and therefore, about 68 per cent remains with the national Government. That requires very careful understanding. What is the national Government responsible for? Who does it employ and what are its priorities and functions? We have the police and national security, the military, the teachers, a small part of the national health care service and the overall national bureaucracy in the national Government. That to my understanding, does not constitute and is not worthy of the 68 per cent of the revenue as it were. That can be reduced to 50 per cent of the revenue.

If you want to think about the duties and tasks of our county governments, the jobs of the members of the county assemblies (MCAs), the staff of county assemblies, the bureaucracy involved in functions like agriculture, health care, basic education, roads and other functions, considering that a majority of our people do not live in Nairobi where the national Government is housed, but live in the counties, it is about time we looked carefully and people need to be careful and consistent and not just give us cheap talk. Several Members in this House have said that it is time to look at and review the functions and bring some back to the national Government. If you really want that debate in an honest way, let us have a constitutional conference and let us review a part of the Constitution. Before the Constitution was passed, we were told that 20 per cent was wrong and 80 per cent was right. It is time to do a constitutional review. It is time to *okoa* Kenya. We brought a proposal and it was ignored. It had questions about division of revenue and functions.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Member for Kibra, I know you have a lot to say. I will add you a minute.

Hon. Okoth: To me, this Division of Revenue Bill with 68 per cent of the money remaining with the national Government when the majority of our people rely on county governments which are starting to take off and impacting on people's lives so that they are building roads, Early Childhood Education Centres (ECDCs), markets, responding to emergencies at the local level, devolution is the right thing. This country was not wrong to go for devolution. Let us make sure we devolve money adequate to the functions that have been devolved. My wish is to see that, at least, 40 or 45 per cent of the money is devolved to the counties and the national Government to reduce the wastage that we see here in Nairobi.

With those few remarks, I beg to disagree with this Division of Revenue Bill because I do not think it matches the ambitions and the visions of real devolution where functions, leadership and services are brought closer to the people and the resources to deliver them are brought closer to the people. I still think this alleged 32 per cent is a figure that does not reach what it needs to be.

Thank you.

The Temporary Deputy Speaker (Hon. Omulele): We shall have the Member for Isiolo then we shall Hon. Gumbo.

Hon. (Ms.) T. G. Ali: Thank you, Hon. Temporary Deputy Speaker. I stand to support the Division of Revenue Bill. I am a Member of the Budget and Appropriations Committee. The money that has been shared between the national Government and county governments has been done fairly. Some of the money that comes from the national Government has reached some of the vulnerable counties like Isiolo. We are just about to open the Isiolo International Airport and I am urging this House and Kenyans at large to visit Isiolo soon because it is going to turn into a resource city. As you know, Isiolo is in the centre of Kenya and allocation of money to operationalise the airport is a blessing in a county in an ASAL area that has never had an international airport.

We are also just about to have a modern abattoir through the support of the budgetary allocation that comes from the national Government and we are very grateful. From the allocations that have been done across the country, we have seen that some of the very vulnerable areas are also getting some tarmac roads. Isiolo South has never had an inch of tarmac and we are just about to launch a 72 km tarmac road in Isiolo South, which is also turning the county into a centre of interest.

What I would also want to talk about in this Division of Revenue Bill is the issue of allocation of money to schools and to teachers. I am sure Mr. Matiang'i is very keen on ensuring that all schools perform well, but during this dry spell, especially in some of the areas in northern Kenya, many schools have not opened. I visited the county last week and only 15 out of 600 children, who are supposed to be in Form One, have reported. This is because of lack of food and also lack of school fees. I have not seen any allocation of money to schools so that we can ensure that all our children report back to school. Lack of allocation to schools means that many children will not perform as expected. Mr. Matiang'i might end up sacking all the principals and head of schools because of poor performance. One issue that they should also consider is the issue of timeliness in terms of opening school.

The Temporary Deputy Speaker (Hon. Omulele): Very well. Hon. Gumbo, then we shall have Hon. Silverse Anami and we will close with Hon. James Nyikal.

Hon. (Eng.) Gumbo: Hon. Temporary Deputy Speaker, thank you for the opportunity. Let me start by saying that this is a fairly tactical Bill grounded on the Constitution, Article 218. It is my view that a Bill such as this should be preceded by report from the Budget and

Appropriations Committee and the Parliamentary Budget Office to guide us on what these figures mean. Just having these figures here may not mean much to everyone.

Having said that, I am concerned that we may be debating a Bill, which in a sense may not be entirely constitutional. Article 201(c) clearly states that the burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations. I have just been looking at this Bill and you realise that the provision for debt servicing for this year is Kshs618 billion against a revenue projection of Kshs1.5 trillion. That is 40 per cent. From what I know, for debt to be sustainable, it can only be up to a maximum of 30 per cent of revenue. Clearly, we have to look at the debt position of this country because we could be piling debts on future generations which would then be against the principles of the Constitution.

Having said that, I have looked at the provisions for the national social safety net and I have found that this is a very opaque provision. This money has been coming here in the Division of Revenue Bill and in our budgets and yet no criteria has ever been brought to this House to tell us, for example, how many people in Vihiga County, where you come from, have benefited. We have asked for an audit to be told where these people are. We find that in some counties, as many as three times the number of people are benefiting and that is not right because it again negates the principle of equitability which is enshrined in the Constitution.

As I conclude, because I know there are many Members who want to speak, I think as a country, we must have a serious and sober discussion on the ongoing doctors' strike. We could be sitting here urging our people to go and register, which is a good thing, but an intended genocide could be happening in our country on account of the doctors' strike. I think as leaders of this country, we cannot continue going about it as if it is business as usual when a majority of Kenyans suffer. You and I who are privileged can afford to walk into a private institution and get medical care. What about the majority of Kenyans, the 46 per cent or so who live below the poverty line? We must start having a candid discussion with our doctors so that this strike can be brought to an end.

The Temporary Deputy Speaker (Hon. Omulele): Hon. Gumbo, your time is up, but I will give you a minute to finalise.

Hon. (Eng.) Gumbo: Hon. Temporary Deputy Speaker, other than that, it is my belief and firm conviction that an unintended genocide is happening in our country and we want to behave and continue carrying on business as usual. That is a mark of a very uncaring people and probably that is the reason for the passivity and the apathy that we are seeing in voter registration going on in the country.

I do not support.

The Temporary Deputy Speaker (Hon. Omulele): Let us have Hon. Anami.

Hon. Anami: Thank you, Hon. Temporary Deputy Speaker. I am truly constrained to support this Bill. I cannot find myself supporting this purely for one reason. The Constitution provides for equitable distribution of resources and the Division of Revenue Bill should be the indicator to this. Because we do not have much time, I would like us to underline the need for us to interrogate the feedback mechanism that will tell us how prudent absorption of these resources can be achieved. We cannot continue disbursing funds without getting any feedback of how these funds are absorbed and how prudent that is. This report should have come with a very clear feedback mechanism that we can rely on. I am concerned about the poverty situation in our counties.

As we interrogate this Division of Revenue Bill, we need to consider the equalisation component, the debt component and, above all, the poverty index. There is nothing in this Bill that shows the Government commitment to the reduction of poverty. This will be seen very clearly if we can heighten the allocation of funds for the old, the vulnerable groups, the youth and women. That can be seen very clearly in the feedback mechanism. We see there is a lot of corruption and theft. When such money is stolen, then the vulnerable people become even more vulnerable. I am concerned about the component that is poverty in our communities. We need to address poverty in every aspect of funds distribution. The issue of public participation will also lead us to getting this right.

There is not so much public participation in this process. Why should we accept it? The Committee should go back and engage the Kenyan public and communities.

The Temporary Deputy Speaker (Hon. Omulele): Very well, Hon. Nyikal.

Hon. (Dr.) Nyikal: Thank you, Hon. Deputy Speaker. The division of revenue is the most important and crucial function of devolution, which is the most important aspect of the new Constitution.

I know that experience in the last four years has raised a lot of issues on the propriety of the utilisation of funds at the county level. There has been a lot of complaints about corruption in those areas. Despite that, I believe devolution is a great principle and I still believe there is need to increase money at the county level. This 32 per cent is something we need to increase and deal with the issue of corruption. The processes that we have indicate that we realised that the money we allocate is not enough. We still have a lot of money in Ministries that do devolved functions like water, agriculture and health. A lot of money is still there. We even have conditional grants. We have Level 5 hospitals and there is use of fees and management of equipment in health which indicates that we need more money there. People are beginning to question whether devolution is a good thing or not. I am completely convinced that even the health sector as devolved can function well. The only issue that I have always said and I want to state here is that we have not followed the principles we laid down in the Constitution as far as devolution is concerned.

If you look at Schedule Six that gave rise to the Transition Authority and the Transition to Devolved Government Act, we never used it at all. The Intergovernmental Relations Act that replaced the Transition to Devolved Government Act, which is meant to guide devolution, is not being implemented properly. The technical committee that was supposed to put it in place is not heard of. Even Intergovernmental Budget and Economic Council (IBEC) that looks at the accounts that link the national Government and the county government does not get adequate information that gives the needs of the counties. As a country, we must go back, look at the Constitution and the instruments that we put in place for devolution and be humble enough and say that we have not done it. We need to scrutinise them and put up teams to review them and carry on with devolution as we should. It is a great principle that we should not think of reversing.

Thank you, Hon. Temporary Deputy Speaker.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Omulele): Very well Members. We have exhausted debate on this. We shall have the Mover to reply in the next session.

Hon. Members, time being 6.40p.m., this House stands adjourned until Tuesday 7th February, 2017 at 2.30 p.m.

House rose at 6.40 p.m.