

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 24th June 2015

The House met at 2.30 p.m.

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

PRAYERS

PAPERS LAID

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

The Report of the Auditor-General on the Financial Statements of the Ministry of Education, Science and Technology for the year ended 30th June 2014, and the Certificate of the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Public Trustee for the year ended 30th June 2014, and the Certificate of the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the School Equipment Production Unit for the year ended 30th June 2014, and the Certificate of the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the National Oil Corporation of Kenya Limited for the year ended 30th June 2014, and the Certificate of the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Orange Democratic Movement for the year ended 30th June 2014, and the Certificate of the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Constituencies Development Fund (Kajiado West Constituency) for the year ended 30th June 2014, and the Certificate of the Auditor-General therein.

Thank you, Hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Wandayi!

Hon. Wandayi: Hon. Deputy Speaker, you will recall that yesterday, I brought to your attention my intention to move a Motion for Adjournment under Standing Order No.33, so that the House can discuss a grave matter concerning the National Youth Service (NYS). You will recall that in the last couple of weeks, we have had serious reports on massive fraud attempts. We have also heard of reports of serious in-fighting among the leadership of NYS. As a result, there have been serious demonstrations and counter-demonstrations which have become violent, leading to attempts to destroy public property by the demonstrators.

This is an issue that is of grave national interest in the sense that, if left unchecked, the NYS, as currently constituted, and the manner in which it is operating, could jeopardize the

efforts of national cohesion and integration. I intend to move a Motion for Adjournment to discuss this very serious matter. I handed over my request this morning to your office, through the Office of the Clerk but, up to now, I have not received a conclusive response from your Office. Therefore, I seek your indulgence on this matter because it cannot wait. The country can easily slide into anarchy if we allow the NYS to continue being run in that manner. It is a serious matter---

Hon. Deputy Speaker: Your point has been made, Hon. Wandayi. The reason as to why you did not get a response is because I have disallowed the two hours of discussion for the simple reason that yesterday, I gave a ruling or guidance to Hon. Nyamweya, who had a similar question specifically on recruitment. I do not think that has already been prosecuted. I do not know whether Hon. Nyamweya has already given the Leader of the Majority Party a question. My recommendation to Hon. Wandayi would be to add the other issues that have not been covered by Hon. Nyamweya's questions and ask the Leader of the Majority Party to expedite the response to these questions. If we can get them early next week on Tuesday or Wednesday latest, we can allow the Cabinet Secretary (CS) to come and respond. This is because I see more value in the CS being able to respond to the issues raised rather than us ventilating on them for two hours without getting responses. Let us know whether the Leader of the Majority Party has some questions that have been forwarded to him.

Hon. A.B. Duale: Hon. Deputy Speaker, indeed, yesterday, you directed that we raise a very urgent Private Member's Question in the interest of this House. We will ask the CS for Devolution and Planning to come next Tuesday and present the status of the issues raised by both Hon. Nyamweya and Hon. Wandayi, so that the House can get the facts as they are from her. That way, we will be able to remove politics from the evidence and facts that will be presented.

Hon. Deputy Speaker: Thank you, Leader of the Majority Party. Hon. Wandayi, Tuesday is not a long way off. We can quickly get the information that we require. It is an important issue and a question of concern to a lot of people but, as the Leader of the Majority Party has said, let us get the facts. We will proceed better with facts rather than with a lot of information which we have received through the media and which, of course, we do not go by in this House.

Hon. Tiyah Galgalo!

Hon. (Ms.) T.G. Ali: Thank you, Hon. Speaker. I just wanted to know if the question will be answered at the committee level or in the House. That is because the NYS is under my Committee. I am the Vice-Chair and I wanted to know whether it will be answered under the normal Tuesday interrogation with CS at the committee level.

Hon. Deputy Speaker: Yes, Vice-Chair, we do not have another procedure. We agreed in this House and passed it at the committee level, but any Member is free to attend the Committee meeting and raise any issues that they may be interested in, with the CS. That will be a more productive session, in my opinion. Members, let us move on. Let us not prosecute this matter any further. All those questions can be raised when the CS comes on Tuesday.

Hon. Kamama!

Hon. Abongotum: On a point of order, Hon. Deputy Speaker. Mine is in connection with what my good friend, Hon. Wandayi has raised - about the issues in the NYS. Of course, we agree. Is he in order to raise these issues while we know that the ODM youths are the ones who burned the facilities in Kibera?

Hon. Deputy Speaker: Order, Hon. Kamama!

Hon. Abongotum: Is he in order? They should tame their goons before---

Hon. Deputy Speaker: Order! Order! Hon. Members, I said that we are not going on that line of argument. Can we move to the next Order!

(Several hon. Members stood up in their places)

Hon. Deputy Speaker: Order! Order, Hon. Wandayi! Order, Hon. Serut! The Deputy Speaker is upstanding!

Hon. Members, let us conduct ourselves with decorum. I have made a ruling on this matter. We do not need any more debate on it because you can do all the debating in the Committee. You can ask all the questions and seek the clarifications that you may require from the CS herself. She can give an answer that we can rely on – information that she can stand on – which will be on the HANSARD. I believe that is a better and productive way of proceeding rather than talking to ourselves. That is why we opted for the procedure of calling the CS to appear before committees. We were talking to ourselves initially. So, Members, let us go by the agreements we have made in this House.

Next Order!

PROCEDURAL MOTION

REDUCTION OF PUBLICATION PERIOD

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

THAT, notwithstanding the provisions of Standing Order No.120, this House resolves to reduce the publication period of the Ethics and Anti-Corruption Commission (Amendment) Bill (National Assembly Bill No.33 of 2015) from fourteen to five days.

Hon. Deputy Speaker, this Bill ought to have been published much earlier but there must have been some delay that occurred in some offices. So, its publication was delayed. We had hoped that before the President appoints the selection panel for the appointment of the new commissioners, this Bill would have been debated. We had agreed, as a Committee, to sponsor this Bill and fast-track it, so that we can meet the deadline, which appears to be running out. We are seeking for the reduction of the publication period, without going into the substance of the Bill.

I would like to request Hon. Metito Katoo, the Chief Whip, to second the Motion.

Hon. Katoo: Thank you, Hon. Deputy Speaker. I rise to second this Procedural Motion for the reasons that the Chairman has given. There is need to fast-track and expedite the recruitment of the commissioners to the Ethics and Anti-Corruption Commission. As we are all aware, an advertisement was placed in the daily newspapers for those who want to apply and get recruited. Without anticipating debate, this Bill may enrich that process and, therefore, it will be good that we fast-track it. The new values that this Bill is proposing to bring on board can be taken into account during the recruitment process.

With those remarks, I beg to second.

(Question proposed)

(Question put and agreed to)

BILLS

First Reading

THE ETHICS AND ANTI-CORRUPTION COMMISSION (AMENDMENT) BILL

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

Second Reading

THE APPROPRIATION BILL

Hon. Deputy Speaker: Hon. Members, before we begin the debate, I would like to inform you that we have several visitors here today. In the Speaker's Gallery, we have two groups; Nyakiambi Secondary School, Molo Constituency, Nakuru County and Nairobi Muslim Primary School, Lang'ata Constituency, Nairobi County. In the Public Gallery, we have Kids Care Community School, Dagoretti North Constituency, Nairobi County, Kirigu Primary School, Dagoretti South Constituency, Nairobi County, Dakabaricha Mixed Secondary School, Saku Constituency, Marsabit County.

You all welcome to the National Assembly.

(Applause)

Let us have the Chairman of the Budget and Appropriations Committee.

Hon. Musyimi: Much obliged, Hon. Deputy Speaker. I beg to move that the Appropriation Bill (National Assembly Bill No. 32 of 2015), be now read a Second Time.

(Loud consultations)

Hon. Deputy Speaker, I can hardly hear myself. My honourable colleagues in front are consulting loudly.

Hon. Deputy Speaker: Hon. Kamama and group, the Chairman is trying to move the Motion.

Hon. Musyimi: Thank you, Hon. Deputy Speaker. After the approval of the Estimates of Revenue and Expenditure by the National Assembly, the Budget and Appropriations Committee is charged with the responsibility of introducing the Appropriation Bill in this House pursuant to

Section 7(h) of Public Finance Management Act, 2012 and Standing Order No. 207(3)(d). The Appropriation Bill, 2015 proposes issuance of Kshs1,106,100,099,414 from the Consolidated Fund Services (CFS) and raise Kshs399,392,081,926 through regular Appropriations-in-Aid.

This is the first Appropriation Bill that has been done according to the programme-based budgeting framework. That is kudos to the Executive, especially the National Treasury. We have waited for this day for a long time. We now have clear programmes contained here, expected outputs, as is provided in approved Budget Estimates and I will be saying one or two things about our oversight role in this manner.

The Appropriation Bill, 2015 contains funds allocated for national priorities including Internal Security, Kshs82 billion; Kenya Defence Forces, Kshs90 billion; Road infrastructure, Kshs134 billion; Standard Gauge Railway, Kshs146 billion; Geothermal Investments and Electricity Transmission; Kshs90 billion, Teachers Service Commission, Kshs174 billion; and to say nothing about tourism which, of course, has also received more funds than has been the case in the past.

The aforementioned priority areas, we believe, will go a very long way in taking the country to a higher growth trajectory. The National Treasury has proposed a number of amendments to the Appropriation Bill, 2015. The votes that were affected were under the purview of the following Departmental Committees. Hon. Members will recall that I tabled that letter here on Thursday and we agreed that the committees would give their reports to us by yesterday. I have an important announcement to make and I hope the Chairpersons can listen to this.

On the amendments proposed to increase the total Budget for 2015/2016 Financial Year by Kshs4.1 billion, my Committee reviewed those amendments with the assistance of fellow Chairpersons and fellow committees and noted that, despite the pertinent issues being addressed by these amendments, the respective departmental committees did not, in all fairness, have adequate time to critically review them. We need to remind ourselves that not long ago, we had to look for Kshs3.3 billion to deal with the matter of money that goes to the counties. We persuaded ourselves that it will be wrong to burst the spending ceilings; it will be better to re-allocate within the vote. The idea of creating further deficit by Kshs4.1 billion at this eleventh hour is not very easy for us to accept.

(Applause)

We, therefore, recommend that these amendments be brought substantively as a Supplementary Budget later this year. This will allow the departmental committees the necessary time they need to talk with the Cabinet Secretaries and others. Therefore, as a Committee, we have declined that particular recommendation from Treasury.

(Applause)

Budget execution will be further enhanced by continuous oversight of the Ministries, Departments and Agencies (MDAs) by their respective departmental committees. I urge my fellow Chairpersons to, please, note that my work is coming to an end this week. Their work starts in earnest next week of overseeing these Ministries. I hope now that we have a

programme-based budget, the committees can be seized of this matter and call the respective spending agencies to account for the monies that we are giving them - which really is not our money, but money that belongs to the people who brought us to this honourable House. It is also important to emphasise that the Controller of Budget is expected to report on budget execution in accordance with the programme-based budgeting framework. This will enable the departmental committees to track the budget for the spending agencies they oversee in terms of their specific targets. There is need for improvement of timely reports from the Controller of Budget so as to mitigate the problem of delayed oversight by this honourable House.

It is now our humble recommendation that the departmental committees continue to engage their respective Ministries as I have said, and come up with a very clear work plan. This will help in the harmonisation of targets, policies and programmes at the outset. The absorption capacity needs to improve. It is important that we begin to see change in the way that we are spending taxpayers' money.

I want to thank my Committee Members for the work that we have done, especially the assistance of the fellow Chairpersons from different committees and, not least, in this particular assignment that we have just found ourselves unable to support the Treasury. We hope that better days will come when more time can be given to us so that we can interrogate our colleagues in the Executive in respect to all the monies that we make available to our people.

With those few remarks, I beg to move and request the hon. Member of the great people of Narok West, Hon. Patrick ole Ntutu, to kindly second.

I thank you, Hon. Deputy Speaker.

Hon. ole Ntutu: Thank you, Hon. Deputy Speaker. I want to take this opportunity to second this Bill. I totally agree with the presentation done by our able Chairman. We have done a very good job as the Budget and Appropriations Committee. We also want to express our sincere gratitude to the various departmental committees for the work that we have been doing together. Let us continue to engage because we do not want to have an issue like the other day when Members were calling us a rogue committee, which we are not. We have been doing a very good job, particularly given the timeline that we have in our Constitution of Kenya, 2010. So, I do not want to say much. I want to give time to my colleagues to contribute.

I want to second this Motion. Thank you.

Hon. Deputy Speaker: Hon. Members, I propose the Question.

(Question proposed)

Hon. Makali Mulu.

Hon. Mulu: Thank you, Hon. Deputy Speaker for giving me this chance to contribute to this important Bill. This House approved the Estimates about two weeks ago and this Bill is derived from the same. So, it should be very easy just to go through it because it is a replica of the Estimates. I just want to say one or two things and then I can allow other Members to contribute. Looking at this Bill, we realise that the Government is expected to spend more than Kshs1 billion in the coming financial year. Public expenditure in any economy is very important because the public sector is the main spender in terms of providing services and goods to Kenyans. That being the case, it is very important that the money which we have allocated or appropriated as a House is spent in the right manner. When you look at the last Budget, there are

two or three things we need to take note of. We have said in this House that the issue of absorption rates at the Ministries, Departments and Agencies (MDAs) is an issue of concern. I want to plead with the departmental committees so that the spending of the funds that we have allocated to the departments in this financial year is monitored seriously. I want to appeal for serious monitoring of the Budget so that the money that we have given is used for purposes of improving the lives of Kenyans.

(Loud consultations)

Hon. Deputy Speaker: Order, Members! The consultations are too high.

Hon. Mulu: The other thing which we need to take note of and which we need also to monitor is the public debt. The National Treasury keeps on saying that the debt is still within manageable levels. But it is important that, as we move forward, we keenly monitor public debt. This is an area which, if we do not monitor keenly, we can auction our future generations. It is very important that we have a balance between the current and future generation in terms of repayment of those debts.

The third thing is about safety nets. This Budget has provided a lot of money to take care of Kenyans who are disadvantaged - marginalised groups. It is important that even as this money is being used, because we have Kshs19 billion, the challenge we have been having and which has been reported by most of the Members here is mis-direction of those resources. It is important, as Members of Parliament that, even as we interact with our people down in the rural setting, we make sure that, that money is directed to the right target group. Otherwise, it will be very unfair to have Kshs19 billion for them and the monies do not reach them. We should make sure that the money is targeting disadvantaged group and is used properly.

As I conclude, there is the issue of Appropriations-in-Aid (A-in-A), which is well captured in this Bill. The issue of A-in-A is important and it should also be monitored thoroughly. We have realised that there are some Accounting Officers and MDAs that are not able to provide the actual figures in terms of how much they are collecting. I remember the Chairman of the Departmental Committee on Environment and Natural Resources at one point was indicating that, through her departmental committee, they discovered some MDAs are not actually declaring how much they are collecting. So, this is an area we need to monitor even as we approve this Bill.

With those remarks, I want to support the approval of this Bill.

Hon. Deputy Speaker: Hon. Joseph Limo.

Hon. Limo: Thank you very much, Hon. Deputy Speaker. I wish to say a few things about the Appropriation Bill. Before I say them, I want to mention a few things. There is need in this country to educate our people so that they can understand what this House does, what the Senate does and the various Bills which we pass in this House so that, for avoidance of doubt, when people criticise or support, they should do so based on actual facts. I have realised that even Members of the National Assembly and the Senators have not understood that all of us are Members of Parliament. The only difference is that we sit in the National Assembly and they sit in the Senate. So, when Senators talk about these Members of Parliament being rogue, they should be very sure that they have also regarded themselves as rogue.

When it comes to Division of Revenue and County Allocation of Revenue Bills, I have realised that people confuse and argue over them. They even say that this House has no role to play in the division of revenue. In future, there is need for this House to spend some time to educate the public through the media. The media also needs to be educated because they keep on referring to us as Members of Parliament and the Senators as Senators, while all of us are Members of Parliament.

This Appropriation Bill is well set out. The Government is planning to spend a lot of money in very good key areas of empowering our people. In education, the Government has dedicated a lot of money to ensure that the burden on our parents is reduced by paying examination fees for both secondary and primary education, and putting more in infrastructure development. The Government is aiming at quality improvement on our education by putting money for recruitment of more teachers. When the teachers are few, the quality of education becomes shaky. There is also money for promotion of teachers and they are also taking care of their medical cover. That one will ensure that pupils will be handled very well. That is because the minds of the teachers will be stable.

On power generation and distribution, the Jubilee Government has dedicated itself. For the first time in the history of Kenya, we have had a very serious drought in 2015. However, for the first time, we had situation where there was no rationing because the generation of power through geothermal is a wonderful thing. This country is among the few in this world which have a lot of potential for geothermal power.

Therefore, the allocation of about Kshs90 billion to Geothermal Development Corporation (GDC) will ensure that there is enough generation and more connection of power to our people. The dedication and commitment to reduce the connection fee from Kshs35,000 to Kshs15,000 is commendable. Even the very good initiative which covers urban areas and connects people at a very low cost of Kshs1,000 is wonderful. This Appropriation Bill is going to spur economic growth and improve the welfare of Kenyan people.

On the other front, we have seen the shilling getting weaker and weaker. We need to enhance our shilling by ensuring that we tap more tourists to this country. We should ensure that the demand for the dollar is reduced. As it is, there is a lot of demand for the dollar and the supply is very low. It is because we do not have tourists coming to this country. At the same time, we have had legislation through the procurement Bill, which ensures that most of the goods are bought within Kenya. That will ensure that imports are reduced and exports are enhanced. This will improve the economy. Therefore, the allocation to tourism, which has been enhanced, is good. But we want to challenge the implementers. There is a difference between allocating money and using that money for the intended purpose.

On the issue of cushioning the poor, the dedication to increase the number of people covered by the cash transfers is wonderful. As we go into the future, the allocation should be enhanced so that we can improve the welfare of our old people. At the same time, we need to help the orphans to ensure that they get better lives. On agriculture, the allocation for subsidized fertilizer, seeds, subsidized mechanisation of farms and irrigation is going to ensure that we are food secure, but we need to increase it. If we do not do that, this country is going to face problems. I want to encourage the Government to spend a little bit on ensuring that we combat the risk which this country has been exposed to by the maize necrosis disease. We need to put in more money for the compensation to the farmers who have lost their crop for the last couple of

years. In the last three years, many parts of Kericho, Bomet and even parts of the North Rift have had a share of this problem of maize necrosis. Therefore, we need to have more allocation so that we can compensate the farmers even by ensuring that they get free seeds and fertiliser.

On security, the allocation is okay. But the people in charge of security should ensure that they have clear programmes on dealing with insecurity in this country. We need to go back to the situation in the past where the Government had proper information. We need to employ more people who are properly trained to collect proper information and give it to the Government on time. They should combat terrorism and all the other threats to this country.

We must also appreciate that most of the insecurity in this country is as a result of lack of employment for our youth. We need to discourage our youth from joining groups like the *Al Shabaab* by ensuring that they are empowered. The youth should be given all the opportunities that come up. We should support the programmes which have been put in place through the National Youth Service (NYS). We want to encourage the people who are in charge of NYS to use the money that has been allocated to them for the right purposes and ensure that our youths are well trained.

We have had claims of corruption. We want to encourage them to avoid corruption, so that our youth can benefit. We can even double the allocation, so that the majority of the youths who attained Grade D and below, those who went up to Standard Eight and even those who did not reach Standard Eight can get their livelihoods through the NYS. They cannot get their share if we have corrupt elements at NYS. If they are there, they should be smoked out. I want to support this Appropriation Bill. I urge the House to support it.

Hon. Deputy Speaker: Let us have the Leader of the Majority Party.

Hon. A.B. Duale: Thank you, Hon. Deputy Speaker. I stand to support the Appropriation Bill, 2015. At the outset, I want to thank the Budget and Appropriations Committee and the National Assembly for first passing the Budget Estimates for the Financial Year 2015/2016. I also want to thank the Office of the Clerk for sending the certificate communicating that approval to the Executive.

Thirdly, I want to thank the Chairman of the Budget and Appropriations Committee and his colleagues for not agreeing to the amendments or adjustments that were presented to the Committee. However genuine and convincing they are, Parliament and its committees need more time to interrogate the extra Kshs4.1billion, so that the Cabinet Secretary can bring it back through the Supplementary Estimates later in the year.

However, my problem is one, and I think this is the right time to say it. We have allocated these huge sums of money to various Government Ministries and departments. It is the responsibility of the National Assembly, as an oversight authority, to make sure that the absorption rate of each and every department is met. It should be pegged every year before we meet the different departments, the Budget and Appropriations Committee and the respective committees. We must look at how much money has been spent by those departments and Ministries from the allocations that were made in the previous year. So, the absorption rate of money from both the Kenya Government and the donors is a matter of great concern not only to this House, but I am sure even to the President as the custodian and the appointing authority of his Cabinet.

Secondly, the National Assembly, which has powers of the budget-making process, must check wastage in terms of the per cent of the money that we appropriate. That wastage must be

reduced, whether it is in the form of corruption, litigations or pitfalls. So, Parliament is under obligation, through its committees, to ensure that wastage and excess usage of those funds is checked. Thirdly, Kenyans must get value for the taxes that they pay. The money that we are going to appropriate today has been paid by Kenyans in various forms of taxation throughout the country. Kenyans must get value for the money that they send to both levels of Government. Above all, the money that we are allocating must be distributed based on equity and fairness. If you look at the money that we have allocated for infrastructure such as roads, we want to see it distributed horizontally and not vertically. We want each and every part of our country to see the value of the money that we are appropriating today. Key sectors like security, education, the social safety net, infrastructure and energy have received huge allocations in this year's Budget.

I hope the over Kshs220 billion that we have allocated to both the security sector, the Ministries of Interior and Co-ordination of National Government and Defence will be used efficiently to secure the country both internally and externally. We expect the Kenya Defence Forces (KDF) and the Ministry of Defence to secure our borders with Ethiopia, Somalia and South Sudan. Never again should we give Kshs104 billion shillings to the Ministry of Defence and still see the infiltration of extremist groups that come and kill our people. I am sure that these huge allocations to the Ministry of the Interior and Co-ordination of National Government in terms of the welfare of the police officers, their insurance cover, housing and equipment both security equipment and the vehicles will transform Kenya into a more secure country.

With those many remarks, I am sure the extra areas that the Cabinet Secretary of the National Treasury was creating - the adjustment of Kshs4.1 billion - was mainly going to salaries, financing of foreign projects and more importantly, to deal with the Mumias Sugar Company rights issue. I am sure that the Budget and Appropriations Committee, in its wisdom and in consultation with other committees, has enough time beginning tomorrow to come and make sure that the committees are convinced and bring back that Kshs4.1 billion in the subsequent supplementary budget.

I want to thank the House in advance, if we finish today, for beating the deadline of passing the Appropriation Bill of June 27th 2015 which will be on a Saturday. I hope we go to the Third Reading of this Bill today, conclude it and I am sure the President will assent it into law before the deadline of 27th June 2015.

I want to thank the Budget and Appropriations Committee, all the committees and Members of the National Assembly.

Hon. Deputy Speaker: Chief Whip of the Minority Party.

Hon. Mwadeghu: Nakushukuru, Mhe. Naibu Spika, kwa nafasi hii ambayo umenipatia.

Kitu cha kwanza ni kuwapongeza wenzangu katika Kamati hii ya kuangalia Makadirio ya Fedha kwa kazi ambayo wamefanya ya kuridhisha, ijapokuwa mara ya kwanza tulikuwa tumeshikwa na ghadhabu kwa yale waliofanya. Lakini nashukuru Mungu. Wakiongozwa na ndugu yangu Mheshimiwa Mutava Musyimi, wamefanya marekebisho ambayo yamekubalika na hivi sasa, tuko katika kiwango cha kuangalia ugavi wa fedha za Serikali.

Ugavi au ugawaji huu katika wakati huu umechukuwa mwelekeo mpya kwani fedha hizi zimegawanywa kulingana na mipango ya Serikali. Ile miradi ambayo imekubalika ndio itakayofanywa, ndipo hapo fedha zimeelekezwa. Ni jukumu la Wabunge kuhakikisha kuwa wanafuatilia kwa uangalifu waone kuwa fedha hizi zinatumika kwa kazi ama mipango ile ambayo imewasilishwa Bungeni. La sivyo, itakuwa ni jambo la fedheha sisi kukaa hapu,

kukubaliana na mipango kadha wa kadha ya Serikali halafu hapo katikati unapata fedha hizo hizo zinabadilishwa na kutumiwa kwa mipango mingine ambayo hatukuidhinisha hapa Bungeni. Bunge lazima liwe macho na liangalie kuwa shughuli hizi zinafanywa kulingana na yale tumekubaliana hapa.

Niliposikiza kwa uangalifu Mwenyekiti akitoa taarifa yake, alisema kuwa kuna fedha ambazo zimeombwa ili ziongezwe katika Makadirio haya kwa kiwango cha Ksh4 bilioni. Lakini tunakubaliana na Mwenyekiti kuwa tukifanya hivyo, tutaongeza gharama kubwa kwa Serikali. Itakuwa na deni kubwa na hatutaweza kulimudu. Itakuwa ni shida kubwa sana kwa Serikali. Ndio maana Mwenyekiti ameomba kuwa hela ambazo zimeombwa zifikiriwe wakati wa *Supplementary Budget*.

Lile ambalo naona bado lina kero ni fedha ambazo zimewekwa katika kitengo cha elimu. Hapo awali, tulikuwa tumeweka Ksh11,000 kwa kila mwanafunzi kwa mwaka. Sasa zimeongezwa zimefika Ksh13,000 kwa mwaka kwa kila mwanafunzi. Lakini tukiangalia Ksh13,000 kwa kila mwanafunzi, haziwezi kufadhili mwanafunzi kusoma kwa mwaka mzima. Ndio maana katikati, unaona kila wakati wanafunzi wanaambiwa warudi nyumbani. Tunatarajia wakati utafika ambapo tutasema kuwa kama elimu ya sekondari inafadhiliwa kikamilifu na Serikali, basi iwe kweli inafadhiliwa kikamilifu na Serikali. Fedha zitengwe za kutosha. Wanafunzi wakilipiwa karo, basi wajue wanaenda muhula wa kwanza mpaka wamalize muhula wa mwisho bila kuambiwa na walimu warudi nyumbani. Tukiangalia ni kuwa ile hazina ambayo ilikuwa inatolewa kwa wanafunzi wa sekondari katika Makadirio haya imeondolewa. Hiyo najua itakuwa changamoto.

Kwa hivyo, itabidi kila mzazi aangalie atafanya nini. Bila shaka, itatulazimu tuangalie vile Hazina ya Ustawi wa Maeneo Bunge (CDF) itakavyotumika kufadhili wanafunzi hao.

Kuna fedha ambazo zimewekwa za kuajiri walimu - Ksh4 bilioni. Tukiangalia hali ya nchi vile ilivyo, walimu wanaohitajika ni wengi na sioni kama fedha hizo zitatosha. Ni ombi langu tuanze kufikiria ni wapi tena tutatoa pesa za kufadhili uajiri wa walimu. La sivyo, kuna sehemu za nchi ambazo walimu hawatoshi na imebidi wazazi wenyewe wajifunge kibwebwe ili waangalie kuwa walimu wanaajiriwa. Wazazi wenyewe ndio wanaowalipa. Je, pale ambapo wazazi hawana uwezo wa kuajiri hao walimu, itakuwa namna gani?

Nikiangalia, kuna Hazina Sawazishi kwa Kiingereza inaitwa *Equalisation Fund*. Mpaka sasa, hizo fedha bado ziko katika Benki Kuu ya Kenya na hazijawahi kutumika tangu tuanze Katiba mpya. Sheria zake bado hazijaletwa hapa Bungeni na najua zina utata. Hazina hiyo ilikuwa imewekwa katika Katiba yetu ili tuangalie sehemu ambazo hazijaendelea au kustawi ili zipewe fedha hizo ili zipate kustawi kama maeneo mengine. Namwomba Mwenyekiti wa Kamati ya Makadirio aangalie kikamilifu hazina hiyo - namtafsiria kuwa inaitwa *Equalisation Fund* kwa Kiingereza, yaani Hazina Sawazishi. Kwa nini hizo fedha mpaka sasa bado ziko katika Benki Kuu ya Kenya na hazijatumika?

Tunaambiwa kuwa hawataki. Ni akina nani ambao hawataki? Kwa mujibu wa Katiba, maeneo ambayo hayajastawi kufikia viwango vya maeneo ambayo yamestawi yanastahili kupewa fedha hizo ili nayo yaweze kustawishwa sehemu zao. Tutaendelea hivi hadi lini? Tunaambiwa kwamba tusipokuwa waangalifu, Serikali ya kitaifa itazigawa fedha hizo kwa maeneo ambayo inafikiri kwamba yanastahili kufaidika na hazina hiyo. Namuomba Mwenyekiti, kwa heshima kuu, alizingatie jambo hili ili tihakikishe kwamba fedha hizo zimegawanywa maeneo yanayostahili kufaidika na hazina hiyo.

Mhe. Naibu Spika, naomba niweke tamati nikiunga mkono ugavi wa fedha hizi. Ni matumaini yangu kwamba Mswada huu utapitishwa, na kwamba miradi inayoendelea itatekelezwa vyema na wala haitatekelezwa kiholela kama ilivyofanyika mwaka jana. Kandarasi ya kujenga barabara ya kutoka Voi kwenda Mwatate hadi Wundanyi ilitolewa lakini baadaye, Serikali ikakataa kuufadhili mradi huo na mwenye kandarasi akaondoka. Rais alipoenda Taita-Taveta hivi juzi, alisema mwenye kandarasi atarudi mwezi wa kwanza na, ghafla bin vuu, akarudi. Naomba kwamba kwenye miradi inayofadhiliwa na Serikali, kusiwe na ukora. Haki ifanywe na fedha zitumike vyema ili miradi yote ikamilike.

Kwa hayo mengi, naomba kuunga mkono Mswada huu.

Hon. Deputy Speaker: Hon. Ali Rasso!

An hon. Member: He is not in!

Hon. Deputy Speaker: Hon. David Kangongo!

Hon. Bowen: Thank you, Hon. Deputy Speaker. I stand to support the Appropriation Bill, 2015.

I would like to start by congratulating the Committee for the good work it has done. It is the function of this House to appropriate. At the same time, under Article 95, we are supposed to play the role of oversight.

The huge sums of monies that we are appropriating are monies contributed by the taxpayers, who in turn want to see value for that money. We are appropriating funds to Ministries and departments, but the biggest problem that we have in this country is corruption. We want to see the Ministries and departments to which we are appropriating money use it wisely. It is sad that Kenyans have lost Kshs800 million in a scam involving the National Youth Service (NYS). We were told that three individuals wanted to run away with Kshs826 million. I believe that those who were involved will be brought to book. I hope that no money has been lost so far. I hope that the whole story is not a cover-up.

Hon. Deputy Speaker, I would like to congratulate the Government for setting aside money for power generation. About 70 per cent of Kenyans still live in darkness. The reduction of power installation fees from Kshs35, 000 to Kshs15, 000 will encourage many Kenyans to apply for electricity connection. We want to see our youth using the reduction of the electricity connection fee as an incentive for engaging themselves in small-scale self employment activities that use electricity. We also want to see the cost of living going down in this country. The prices of goods and services should go down.

The youth of this country have been left out for a very long time. We have many Kenyans stranded out there. Some of them have many degrees and other qualifications and yet, they are not in any employment. This morning, we passed Hon. Sakaja's Bill on youth employment. We want to strengthen the institutions catering for youth welfare and employment by allocating more money to them, so that we can have many young Kenyans engaged in meaningful development activities. We do not want to see our youth engaging in criminal activities, as we have seen many of them joining *Al Shabaab* and other criminal gangs.

Hon. Deputy Speaker, the monies that have been allocated to security agencies are good sums. Insecurity does not emanate from nowhere. Insecurity emanates from those areas experiencing it. The perpetrators are youths who do not go to school within communities which do not have access to roads and basic education. As we put a lot of money into security, we ask the Government to open up those areas with roads, implement water projects and build schools. I

have in mind Turkana and Baringo counties as well as the northern Kenya region. People in those areas should embrace education rather than engage in criminal activities.

A good sum of money has been allocated to the Department of Defence. We want to see our borders secured, so that Kenyans can be safe. We do not want that money spent in Somalia while Kenyans continue to suffer from insecurity. As we allocate a lot of money to the Kenya Defence Forces (KDF), Kenyans must be secure before our soldiers go to secure other people.

Hon. Deputy Speaker, it is very unfortunate that farmers in this country have a lot of maize in their stores. The reason is that the National Cereals and Produce Board (NCPB) has not been buying maize from farmers. The price of the commodity has gone down. Farmers in the North Rift are almost giving up planting maize. There is need to allocate a good amount of money for purchase of maize from farmers. It is sad that farmers can tend to their farms for about 10 months only for them to incur losses for lack of market for their produce.

I come from the North Rift, where people depend on maize to raise money for school fees and meet other costs of living. If the situation does not improve, we will ask farmers to uproot the maize crop on their farms and undertake other activities; even if it means shifting to dairy farming.

As I finish, I want to reiterate my first point which is that we need to seriously fight corruption. I heard Hon. Chepkong'a asking for a reduction of the publication period for the Ethics and Anti-Corruption Commission (Amendment) Bill from 14 to five days. We want to see those who were mentioned in the list of corruption suspects prosecuted, now that the 60 days are over. There were Cabinet Secretaries (CSs), Principal Secretaries (PSs) and so many other officers who were mentioned in that list. Those who were found to have committed offences should be taken to court. We want those who did not commit any offence to come back to their offices and offer services to Kenyans. The approach the Government used at that time was a populist approach. We want to see a serious fight against corruption.

I support the Appropriation Bill, 2015. Thank you.

Hon. Deputy Speaker: Hon. George Omondi.

Hon. G.W Omondi: Thank you, Hon. Deputy Speaker, for giving me the opportunity to also contribute to this Bill. In supporting the Appropriation Bill, I wish to say that at last this House is in control of the budget-making process through the Budget and Appropriations Committee. However, the problem is that we have made the Budget, but the confusion may come much later when we start getting supplementary budgets which fail to give us the details of what we are being asked to approve.

The deficiency in the budget-making process, which is now being done by this House is that we need to take control of the policies that inform the budget-making process. This is still lacking and if we continue like this, we get confused or lost in the middle of monitoring Budget performance.

Turning specifically to what is contained in the Appropriation Bill, we have got both good and bad. The good is that the national Treasury finally looked at the areas that are likely to affect the performance of our economy during the 2015/2016 Financial Year. These were mentioned as terrorism, drought and weak global economy.

Secondly, the Bill also identifies the foundations of economic growth and allocates money to them. These are infrastructure, security, health, energy, particularly green energy, education, social protection and youth empowerment.

(Hon. Ng'ongo consulted with Hon. F.K Wanyonyi loudly)

Hon. Deputy Speaker, can you ask the Chairman of Orange Democratic Movement (ODM) to consult in low tones.

These sectors are also the engines of growth of our economy. The rider in this, however, is that the Government will be serious in fighting corruption and the monies allocated to these sectors will not end up in the pockets of those charged with the responsibility of running our economy.

The bad side of the Bill is that the Budget does not take into account some facts, particularly the cost of living. The cost of living has not been addressed very adequately in the Bill, particularly when we increase fuel by Kshs3. This may look like a very small increase, but it cuts across the board. The prices of all activities and products that depend on fuel as an input will rise and that will create inflationary pressure within the economy.

The other policy challenge that has not been addressed in the Bill is the position of export and manufacturing sectors in our economy. Kenya occupies a better position in this part of the world, but these sectors are not being addressed very adequately so that we can grow our manufacturing sector and, by extension, grow our exports to take advantage of our dominant position in the region.

Finally, the deficit of over Kshs800 billion is too large. We are not taking into account the productivity of the capital that is going to be procured by this borrowing. If we borrow locally, it will end up crowding out the private sector, from which we also intend to generate revenue through taxation. So, this is a negative aspect in this Bill. The huge deficit will also cause inflationary pressure in the economy which will affect the cost of living.

With those few remarks, I support the Bill.

Hon. Deputy Speaker: Hon. Francis Njenga.

Hon. Njenga: Thank you, Hon. Deputy Speaker. I stand to support this Bill. First, I appreciate the fact that all this money we are going to spend is coming from the taxpayers. We should also look at systems to broaden the tax base and increase revenue if we have to achieve Vision 2030 and the Jubilee manifesto.

I also look at the Kshs11 trillion spending and appreciate the Executive's policy of buying 40 per cent from Kenyan entrepreneurs and businesses. This will go a long way to improve the economic livelihoods of so many Kenyans. When I read through the Bill, I reconcile it very well with the budgetary Estimates that were approved by this House. This is a great improvement. Remember a year ago we could not reconcile the two, but this time round we can

reconcile. However, our major problem now would be to guard this money. Corruption has become the order of the day in this country. A lot of wastage is being perpetuated by those who are supposed to take care of our money. Much as I support the Bill, I also urge this House, in its oversight role, to wake up, be alert and ensure that this money is taken care of and that it reaches where it is supposed to be. We should work as a House in our oversight role to ensure that our people get the benefits of this money.

Most important is the amount of money we are going to spend on education, making us come closer to realising free education. I also note that a good amount of money has been allocated towards quality assurance. I support that. More importantly is power distribution and transmission. The Kshs23 billion the Government is going to use first to put this country into a competitive economy; power is very necessary, both transmission and distribution. That is a step ahead in achieving the last mile where every Kenyan can access power.

Hon. Deputy Speaker, we also hope that in the years to come power can be truly free, that you can get connected to power without paying much.

The roads that are going to be financed by the annuity programme---

Hon. Deputy Speaker: Hon. Member for Ainamoi, the Chair of the Departmental Committee on Finance, Planning and Trade is on a point of order.

Hon. Langat: Hon. Deputy, I was going to request that you call the Mover to reply.

(Loud consultations)

There is no change from the Budget Estimates. I think this House can spend its time very efficiently. We are still considering it in the next Order. It is the same thing we are considering in the next Order.

(Loud consultations)

Hon. Deputy Speaker: Order, Members! Allow him. Everybody have their say. So, Hon Benjamin, proceed.

Hon. Langat: Hon. Deputy Speaker, protect me from some Members. I have also a right to speak.

Hon. Deputy Speaker: You are protected. Just finish what you have to say.

Hon. Langat: I am asking: Would I be in order to ask for the Mover to be called upon to reply given that the Appropriation Bill reflects what this House passed and we have been discussing these things?

Hon. Members: No.

Hon. Deputy Speaker: Hon. Benjamin, you can see. Let us allow a few Members to contribute.

Hon. Njenga: Thank you, Hon. Deputy Speaker. I was talking about the amount of money that we are contributing towards infrastructure, particularly on annuity roads. With power and good infrastructure, we are able to improve the economy of Kenya; we are able to produce more and cheaply so that Kenyans can have the purchasing power to buy.

I also noted that Kshs6 billion is going to be spent on resettlement of people. I believe in Kenya we have enough funds and enough space for all. That is also a programme worth being applauded and upgraded. In view of the fact that most Members want to contribute and in view that Benjamin's proposal has not met friendly Members, I would like to support this but also ask Members support it because we are spending more than 30 per cent on the Development Budget.

I support.

Hon. Deputy Speaker: Hon. Chris Wamalwa.

Hon. Wakhungu: Thank you. At the outset, I rise to support. I want to thank Rev. Musyimi, who is the Chair of the Budget and Appropriations Committee, for working round the clock to give us this. Congratulations for work well done Reverend.

We know that appropriation is about money Kenyans pay in taxes. This money must be spent on Kenyans irrespective of the political divide you come from. It is, indeed, their right. As we appropriate this money, the big problem we have is corruption. I am happy to note that offices responsible for fighting corruption have been well taken care of.

Two weeks ago I was in the United States of America, Washington DC, where we visited the Government Accountability Office, which is in charge of issues to do with value for money. Something we learnt that Kenya should borrow is that about 70 to 80 per cent of the recommendations from the Government Accountability Office are implemented by the executive. When we come to this country some of the recommendations we get from the Auditor-General, if you look at the percentage that is being implemented, you will find that it is really insignificant. In this case the three critical offices in fighting corruption particularly the Director of Public Prosecutions (DPP) has been given good money. We call upon the Office of the DPP to have experts. We have seen many cases where people are taken to court and there is not enough evidence and they are set free. We want professionals to be recruited and be retrained so that if somebody is arraigned in court, the probability of success so that we can surcharge those particular persons, is high.

We want to warn the forces of impunity that are trying to affect the Office of the DPP. If the Office of the DPP is not functional, we are going to have issues as far as the fight against corruption is concerned. We know very well that the Ethics and Anti-Corruption Commission, as we speak right now, is not fully constituted. Commissioners are not there and the people who are in charge right now in recruitment must move with speed so that this body can be fully functional.

We have seen the Public Audit Bill we debated in this Parliament. We do not want the forces of impunity to remove the independence of the Office of the Auditor-General. It is important that this Office is allowed to be independent for us to succeed in the fight against corruption.

I also want to mention something on matters of education. We have noted that capitation per student in secondary schools has been raised from Kshs11,000 to Kshs13,000. That notwithstanding, we know very well that, that money is not enough. We have been relying heavily on the Ministry of Education, Science and Technology for bursary. When you look through this there is no bursary allocation in the Ministry. Where are these poor people going to get money from because we know it is not enough? I know basic education regulations were tabled here but we have not debated them. It is, indeed, important to note that the school fees being charged in day schools is high. The allocation of Kshs13,000 is too little. As we move on

to the Supplementary Budget, we must look for a way of bringing back the Ministry of Education, Science and Technology bursary for secondary schools.

I want to talk briefly about the safety net. We allocate money here for safety net. We have money given to the elderly and the marginalised in the society. This money takes so long to reach them. They go up to two or three months without money. Why is there such a delay? We call on the Ministry of Labour, Social Security and Services where it falls under, to expedite so that money is paid to these elderly *wazees* in a timely manner to improve their welfare. They are conned on the way. It takes forever and the payment system is not done properly. It is high time they established payment centres right down to the local level.

I want to mention something briefly about procurement. A lot of corruption occurs through procurement. I call upon the Ministries, Departments and Agencies (MDAs) to follow up on the public procurement law. I am happy to note the amendments that were incorporated on the 30 per cent of tenders that are given to youths, women and the disabled. We need a report in this House to see that. Maybe the Public Procurement Oversight Authority should give us a report on that. Was it 30 per cent that was given to the youth and women or are we taking of 30 per cent just in terms of numbers but not in terms of value? The young people of this country are not in employment. Seventy per cent of the unemployed are the youth. For us to improve their welfare and to achieve Vision 2030, it is indeed important that when it comes to issues of procurement that law must be followed to the letter.

Another issue is about absorption. We have seen many departments come to demand for more money yet their absorption rates are very low. As we move on it is important that we must note, monitor closely and scrutinise that absorption level in spending this money.

I want to say something about the Teachers Service Commission (TSC). They have been given Kshs4 billion. This Kshs4 billion is to employ new teachers. We have a big shortage of teachers in this country. In our constituencies, through the Constituencies Development Fund (CDF), we have managed to come up with many secondary schools. We do not want our children to walk long distances to go to school. However, there are no teachers in these schools. So, the Teachers Service Commission (TSC) must move with speed and employ teachers for these schools. We do not want to have the issue of tribalism and nepotism in employment. It should be done on the basis of first-in first-out. When you leave university, if you have done a Bachelors Degree in Education, you need to register with the TSC. They must follow merit. The people who graduated ahead should be employed first and not those who have just graduated because they maybe from Jubilee or from certain tribes. That should not be the case. We must allow equity to prevail so that teachers can be employed with speed and this challenge is addressed.

I know my friend, Hon. Serem, is very happy. I sit with him somewhere and we sort out issues when we are together. He should not be a sycophant. I have known him as a good Member of Parliament. Without much emphasis, it is my request to the Members to support this Bill. I urge the Budget and Appropriations Committee to move with speed. Now that we have cleared with the issue of the Budget, we must move quickly in terms of legislation. There are many Bills that are pending under the Budget and Appropriations Committee, some of which are not of money nature. We should not be allowing these Bills to go to the Budget and Appropriations Committee for purposes of just ascertaining. This delays the legislation process and we have to move with speed.

I support.

Hon. Katoo: Hon. Deputy Speaker, I want to support this Motion. Let me just very briefly mention about some votes especially on the Development Vote. The first one is Vote D1021, which is the Ministry of Interior and Co-ordination of National Government. It is important that this money, especially on the sub-vote on the policing services, is used to employ more police officers. You are aware that we are behind schedule because of the nullification of the recruits by the court. This year, we did not attain the 10,000 plus recruits that we want, but we should do it before the end of the year in order to bridge the gap of the ratio of police officers to our citizens.

It is also good that we give our police officers this money to modernize their equipment. We are in a technological era and, therefore---

(Loud consultations)

The Deputy Speaker (Hon. (Dr.) Laboso): Order, Members! The consultations are too high. Hon. Bosire!

Hon. Katoo: Hon. Deputy Speaker, I was talking of the modernisation of our resources in the police service, both the hardware and the software part of it. We are in the technology era and therefore, we need to have the state of the art equipment. It is important that we facilitate our police service for that matter.

The Government has tried its best in terms of provision of vehicles or the mobility part of it, but it is important that we even buy these vehicles rather than hiring. It is good for the ownership of property and assets in the Police Service. Having said all that, it is important that as we try to do that, we should not forget the welfare of our police officers. Therefore, part of this money should go to improving their welfare, specifically the issue of insurance. They are at high risk and it is important that they get insurance and improved welfare.

With regard to the Vote on Education, which is Vote D1061, a lot has been said about it. This has been in terms of the employment of teachers. It is important that we try to bridge that gap. I know there is an allocation to employ about 5,000 teachers, but we have a shortage of 60,000 at the primary level. Therefore, 5,000 out of 60,000 is just a drop in the ocean. We need to focus more on quality education. As we speak about the free primary education, it is also good that we talk about quality education. There will be no quality education without enough teachers.

Another aspect on the Ministry of Education, Science and Technology, is the provision of the school feeding programme. We are having harsh climatic conditions in this country especially in the ASAL areas and it is good that we provide food through the school feeding programme to pupils and students in those areas to enable them to stay in school. Otherwise, the retention rate will be very low.

Still in the Ministry of Education, Science and Technology, it is important that the Government does not leave the hardware part of it purely to the CDF. The infrastructure development in schools should not only be left to the CDF to construct classrooms and other facilities. Therefore, there should be a Vote under the Ministry of Education, Science and Technology in terms of infrastructure development in schools. I know it is there, but very minimal. Therefore, because education is not devolved, the national Government should complete the efforts of the CDF in terms of building these facilities in schools.

When you look at Vote D1032, the much talked about in the last one week, namely, the Ministry of Devolution and Planning, this Ministry should be like the Committee on Implementation of this House. It should focus on other Government departments to ensure that Government directives especially in the employment of youths and the 30 per cent of all Government tenders that should go to the youth and women is implemented across all Government Ministries. With regard to the issue of the NYS which has been in the focus lately, what is being done by that Ministry is commendable in terms of creating jobs for our youth. But it should be implemented across all the constituencies. There is also need for us to know the criteria that is being used in terms of determining how many youths will be employed in each constituency. We have been seeing the NYS recruiting 3,000 youths in a constituency, 100 in another constituency and 1,000 in another. There should be a formula that should be applied across, so that we can know how many youths are going to be recruited in each constituency by the NYS.

Vote D1051 is the Ministry of Foreign Affairs and International Trade. I want to applaud the Jubilee Administration for the last years that they have been in power for improving this country's diplomatic relations. They have opened many missions across the world. Therefore, I will just encourage that the money that is being allocated should be used in terms of improving the existing missions abroad and also opening more. That will help us in economic diplomacy. If you look at the Ministry of Foreign Affairs, it is now handling both economic and the normal diplomacy. It is high time we gave this Ministry a lot of money. We are spending a lot in rental services in terms of hiring consulars or embassies abroad, it is high time this Ministry owned some assets abroad by buying land and building our embassies. That will improve our relations with the rest of the world.

Let me talk about D1102, which is the Ministry of Water and Regional Authorities. Lucky enough, from this Financial Year 2015/2016, the Ministry of Water and Irrigation is now going to be a stand alone Ministry. It has been a department under the Ministry of Environment, Water and Natural Resources, but since the appointment of the Cabinet Secretary, Hon. Eugene Wamalwa, it is now going to be a substantive Ministry. This Ministry of Water and Irrigation should do a lot of irrigation in the ASAL areas if we want to improve food security in this country.

Therefore, I appeal to the Ministry to use this money to build the mega dams in the Arid and Semi-Arid Lands (ASAL) constituencies in this country the way they did the Galana Kulalu project. Since the money may not be enough, they can source funds from elsewhere or come back to this House and ask for more appropriation. Through irrigation, we will improve our food security because a hungry nation cannot be energetic enough to attain the Vision 2030.

Hon. Deputy Speaker, I want to talk about Vote D1151 for the Ministry of Energy and Petroleum. A lot has been talked about this Ministry, including bringing down the connection cost of electricity to public utilities and even homesteads. However, we have a problem because the cost of acquiring transformers and electricity posts is still very high. Because I can see my time is up, I would like to say that in the livestock subsector, that is Vote D1162, we should do vaccination before animals get diseases. It should be preventive rather than curative.

I beg to support.

Hon. Deputy Speaker: Let us have Hon. Ferdinand Wanyonyi.

Hon. F. K. Wanyonyi: Hon. Deputy Speaker, I thank you for giving me this opportunity. I also thank the Budget and Appropriations Committee. Since this programme is sectorial, I hope we will not have supplementary budgets. We recently had Supplementary Budgets II and III come almost at the time of Budget reading. I hope that the various sectors will live up to the programmes and do their work properly so that we can see the fruits of our sweat.

Secondly, auditing is done in parastatals where the Government has more than 50 per cent shares. We have given out the money now. We need auditors to go to institutions where the Government has an investment of even 10 per cent to tell us what is happening. It was mentioned by somebody at the beginning that some parastatals are not even reporting the Appropriations-in-Aid (A-in-A). Therefore, some of the information we get is half-baked. I also ask the Committee Chairman to make sure that the Efficiency Monitoring Unit (EMU) under the Office of the President goes after the parastatals that do not report the A-in-A.

Hon. Deputy Speaker, thirdly, accountability in some of the parastatals is wanting. We saw in the PIC Report yesterday that the parastatals even have imprests dating as far as 10 or 20 years. That means that the EMU under the Office of the President is not working. We expect them to work and give us regular reports on the same.

We have a problem in this country. We need more teachers because we want to educate our children. As I speak here today, it is the parents who are now employing teachers in my constituency. If the money is not enough, we ask the Ministry of Education, Science and Technology to come up with a Supplementary Budget any time from now so that it can be allocated more money to employ more teachers. This is because we have a shortage of more than 80,000 teachers in this country. This is the case and yet we are being told that the little money we are allocating this Ministry will be used to employ 5,000 teachers only. We have a problem in this country.

At the moment, those who are hired are graduates who left university in 2007, 2008 and 2009. This means that students who graduated in 2010 are not anywhere near being employed. The Committee should allow the Ministry to bring a supplementary budget to hire more teachers. This is because 5,000 teachers is a drop in the ocean.

The other issue I want to raise concerns payment of teachers. We recently passed a Motion in this House and I hope this will be captured here. If it is not, I again ask that we allocate more money to the officials of the Ministry of Education, Science and Technology to pay the teachers that retired.

I understand that there is a case in court. However, some people will die before they are paid their pension. This is the case and yet this is not captured here although I have checked. Therefore, I request that we get a supplementary budget after the Appropriation Bill so that we can pay the teachers who retired 15 or 20 years ago. These teachers are nagging us. You go home and the first person you see is a retired teacher. They always ask us what they should do. We should not debate in this House in vain.

I take this opportunity to tell the Committee of Implementation, of which I am a Member, that this issue of teachers being paid their retirement benefits should be given the first priority. If there is no money, we urge the Ministry of Education, Science and Technology to come up with a supplementary budget to pay the retired teachers.

As I finish, the other matter I want to raise is the wastage we see in most parastatals. There is a lot of wastage out there. You go to a parastatal yard and you find vehicles which were bought almost three years ago parked because they are not able to service them. I hope that the EMU under the Office of the President will wake up.

Again, we have cases where some parastatals are operating without boards. There are cases where a parastatal runs for three or four years without a board or a Chief Executive Officer. That is part of the wastage. What is the Inspectorate of State Corporations doing? We pay its officials who sit at the Office of the President. I know two parastatals which have run for the last three years without boards. How do these parastatals spend money? We also have parastatals which have been running for almost three years without Chief Executive Officers. What is happening with the Inspectorate of State Corporations?

Hon. Deputy Speaker, I support.

Hon. Deputy Speaker: Yes, Hon. Joyce Akai, the Member for Turkana County.

Hon. (Ms.) Emanikor: Thank you, Hon. Deputy Speaker. I rise to support this Bill. But most importantly, we need to think about the actions the handlers of the funds will take to protect the funds that Kenyans have entrusted into their hands. Prudence is very critical. Good stewardship and accountability has always been the problem.

I support the allocation of funds to the Departments of Justice, the Ethics and Anti-Corruption Commission (EACC) and the Public Prosecution Department. If you look at the current state of affairs in Kenya with regard to graft, you will realise that there is every reason to

support these allocations. If this country is serious and committed to justice, integrity and good stewardship of public resources, then the EACC and the Director of Public Prosecutions (DPP) have to be adequately financed.

I also want to support the allocation that has been made to the Department for Education because of the need for quality assurance and enhancing access to education. If you look at a county like Turkana where schools are sparsely located, you will find that parents and children have to walk long distances. Some of them miss this free education because there are no schools or teachers.

I believe that the allocation to the Teachers Service Commission (TSC) and the Department of Education will immensely improve access to quality education as well as improve management.

Hon. Deputy Speaker, I want to look at the regional development authorities whose allocation is a bit inadequate considering the enormous work they do. These are entities that undertake integrated multi-sectoral programmes on behalf of the national Government and these programmes cut across counties. They are very unique entities and they need a lot of money because they accelerate rural development in many ways. They also have strategic plans and have capacity to engage global and international investors and investments.

I concur with my colleague, Hon. Metito, on the issue of water and irrigation. If you look at the Galana Irrigation Scheme, you will find that the one million acres of irrigated land should be spread across the country. This should be in areas that have a deficit of food. This includes Turkana and other ASAL counties.

Thank you, Hon. Deputy Speaker.

Hon. Farah: Thank you, Hon. Deputy Speaker. Let me also join my colleagues in contributing to the Appropriations Bill of 2015.

I come from one of the counties that are supposed to be beneficiaries of the Equalization Fund. Since the promulgation of the Constitution in 2010, five years down the line, that money has not been utilized. There is an allocation of about Kshs6 billion to that fund in the 2015/2016 Financial Year. It is our prayer that the money, as envisaged under Article 204(5) of the Constitution, will be available for usage in the 14 marginalized counties as has been projected by the Commission of Revenue Allocations (CRA).

There seems to be a lot of investment or allocation to the agricultural sector, but we do not see paradigm shift from the normal hungry population in our country. We should see a shift from the normal hunger that we experience over the years. This is because of the over-dependence on rain-fed agriculture.

As a country, we must move away from rain-fed agriculture which in most parts of the country especially the ASAL areas, that is the arid and the semi-arid parts of this country, might not be viable. Therefore, this country must now turn to the north and invest in irrigation agriculture to feed its population.

When we talk about agriculture in this country, the picture that comes to the mind of every Kenyan is crop agriculture. We forget very fast the livestock sector. That is not in the minds of Kenyans. It is high time that this country invested in livestock which is also a very big sector and takes care of very many Kenyans.

Once in a while, we see the Government of Kenya salvage sectors such as sugar as it is happening today in Western Kenya; coffee and tea among others, but there is nowhere we have

seen this country or its leadership salvage the livestock sector. Farmers of this sector are never in the picture when we bail out farmers.

Our tourism industry is deteriorating very fast because of insecurity and travel advisories from some countries in the world. This is very bad for our economy because Kenyans are losing jobs. There is a reduction in foreign exchange earnings and, therefore, we need, as a country, serious mitigation in this sector.

As a country, we need to come up with tax rebates for our domestic travel and hotels and infrastructure development in tourist regions to improve linkages. We also need extensive marketing for this sector. If the sector continues as it is, this country will lose a lot.

There is need to establish sectors that receive high budgetary allocations and fund the programmes that promote national priorities as envisaged in our national policies. Huge budgetary allocations might not necessarily translate into positive outcomes due to poor planning or poor implementation. Planning problems emanate from programmes that are not well defined and have vague outputs. This makes it difficult to monitor expenditure or ensure there is value for taxpayers' money.

Poor absorption rates, especially for Development Expenditure, create delays in implementing projects. In the security sector, we have always and will make huge allocations to sectors such as defence.

Hon. Deputy Speaker, these huge allocations must secure our country. These huge allocations must also be used to guard our borders because this country remains unguarded by our defence forces. We have lost priority by not guarding our borders and putting our effort in places where Kenyans have no stake.

We, therefore, ask the managers of our security forces to make sure that Kenyans, especially those at the borders are secure. The people who manage our security at the counties are incapacitated. The likes of our County Commissioners or Deputy County Commissioners are handicapped and they cannot manage our security.

We, therefore, need to ask the managers of the security sector to facilitate people who manage security in our counties including the person who chairs the Security Committee at the county level, and that is, the County Commissioner. The County Commissioners, the Deputy County Commissioners, the Commanders of the Administration Police (AP) and Regular Police are not facilitated properly logistically. That means they have no vehicles to move around.

Hon. Gikaria: On a point of order, Hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Gikaria, what is your point of order?

Hon. Gikaria: Hon. Deputy Speaker, I rise under Standing Order No.95. We have had a very good explanation from the few Members. We are just saying the same things and nothing new is coming out. Would I be in order to propose that you ask the Mover to reply?

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

Hon. Deputy Speaker: Hon. Members, you still have two other Motions on the Budget. So, can we have the Mover to respond?

(Hon. Ng'ongo walked out of the Chamber)

Hon. Musyimi: *Mkubwa wa ODM, si urudi?*

Hon. Deputy Speaker, before I reply, I would like to donate a bit of my time to the following Members: Member for Samburu East, one minute; Member for Narok South, one minute; and Member for Suba. Unfortunately, the Member for Suba has gone. Let me donate one minute each to the Members for Samburu East, Narok South and Kikuyu.

Thank you.

Hon. Deputy Speaker: I did not get it. Whom did you give a minute?

Hon. Musyimi: The Members for Samburu East, Narok South and Kikuyu.

Hon. Letimalo: Thank you, Hon. Deputy Speaker. I want to thank the Mover for donating one minute to me. I truly support this Motion. I just want to contribute to the Development Vote, and more specifically, on the State Department for Planning and Devolution. We appreciate the noble course taken by the Government to empower women and the youth through the Uwezo Fund. To enable women and the youth sustain these projects, proper training should be done.

On the accelerated ASAL development, it is important to note that pastoral areas have experienced many conflicts. As I said in the morning, and I reiterate, those who are involved are the youth majority of who have not received either primary or secondary education.

Hon. Deputy Speaker: Who was the second one? Was it the Member for Narok South?

Hon. ole Lemein: Thank you, Hon. Deputy Speaker. I want to take this time to thank the Chairman for giving me this minute. I want to contribute on a few areas. The first one is the Technical, Vocational, Education and Training (TVET). This is a very important Vote and it is important for this country as stated in the Jubilee Manifesto.

On infrastructure development, I believe that what has been allocated will go a long way in improving our road network. On the issue of electricity connectivity, that is a very important Vote. I believe it is going to be of immense help to the ASAL areas this year.

On the issue of the Equalisation Fund, it defeats logic that this is almost the third year and this money is lying idle at the National Treasury and yet it is supposed to be utilized.

Hon. Ichung'wah: Thank you, Hon. Deputy Speaker. I rise to support this Bill. Because of the short time, I want to say that, indeed, the expenditure by the Government will go a long way in helping meet part of the objectives that the Executive has in implementing the Jubilee agenda.

But more importantly is the area of security which has been a major challenge in this country. I must thank the Budget and Appropriations Committee for taking time together with the National Treasury to allocate adequate funds that will ensure that this country is secure and, therefore, safeguard the interests of all the people of this country.

I must also take this opportunity to commend the British Government and other western countries which have taken steps to ensure that the travel advisories they had issued against this country are lifted. This will in a great way improve on the---

Hon. Deputy Speaker: It was a minute, Hon. Ichung'wah.

Hon. Musyimi: Thank you, Hon. Deputy Speaker. I beg to reply.

(Several Hon. Members entered the Chamber)

Hon. Deputy Speaker: I am just waiting for the Members who are walking in.

(Question put and agreed)

COMMITTEE OF THE WHOLE HOUSE

(Order for the Committee read)

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

IN THE COMMITTEE

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

THE APPROPRIATION BILL

The Temporary Deputy Chairman (Hon. Kajwang'): Hon. Members, this is the Committee of the whole House convened to consider the Appropriation Bill, National Assembly Bill No. 32 of 2015.

*(Clauses 2 and 3 agreed to)
(Schedule agreed to)*

(Title agreed to)

(Clause 1 agreed to)

The Temporary Deputy Chairman (Hon. Kajwang'): The Mover, do I hear you on intervention?

Hon. Musyimi: No, Hon. Temporary Deputy Chairman.

The Temporary Deputy Chairman (Hon. Kajwang'): The Member for Mbeere South, why are you saying "No" and yet I can see you are on intervention?

Hon. Musyimi: Hon. Temporary Deputy Chairman, I beg to move that the Committee doth report to the House its consideration of the Appropriation Bill, National Assembly Bill No.32 of 2015 and its approval thereof without amendment.

(Question proposed)

(Question put and agreed to)

(The House resumed)

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

REPORT AND THIRD READING

THE APPROPRIATION BILL

The Temporary Deputy Speaker (Hon. Kajwang'): Yes, the Leader of the Majority Party.

Hon. A.B. Duale: Hon. Temporary Deputy Speaker, I beg to report that a Committee of the whole House has considered the Appropriation Bill, National Assembly Bill No.32 of 2015 and approved the same without amendments.

Hon. Musyimi: Thank you, Hon. Temporary Deputy Speaker. I beg to move that the House doth agree with the Committee in the said Report.

I also request Hon. Alice Ng'ang'a to second the Motion for agreement with the Report of the Committee of the whole House.

Hon. (Ms.) A.W. Ng'ang'a: Hon. Temporary Deputy Speaker, I second.

(Question proposed)

The Temporary Deputy Speaker (Hon. Kajwang'): Yes, the Leader of the Majority Party.

Hon. A.B. Duale: Thank you, Hon. Temporary Deputy Speaker. From the outset, I want to thank the House this afternoon for beating the 27th June deadline as far as the passage of the Appropriation Bill is concerned. That is in case the Question you will put will sail through.

Secondly, I want to thank the Chairman and the Members of the Budget and Appropriations Committee. Despite the heavy schedule of Bills at their disposal, they have dealt with all the Budget-related matters and now the ball lies with the Chairman of the Departmental Committee on Finance, Planning and Trade, Hon. Benjamin Langat to conclude, within the next 90 days, the passage of the Finance Bill, the Excise Bill and other reform-related Bills.

Thirdly, I am aware of areas of adjustment as far as expenditures relating to salaries, foreign financed projects and the Mumias Sugar Company rights issue totalling to about Kshs4.1billion are concerned. In the wisdom of the Budget and Appropriations Committee, and the relevant departmental committees that were concerned this matter can be dealt with later after the committees and the House have been taken through those adjustments in a more sober manner and in the interest of saving the people of Kenya their money. However, the Committee gave the leeway that the Cabinet Secretary for the National Treasury can bring back the Kshs4.1billion adjustment through the 2015/2016 Supplementary Estimates.

So, I want to thank every Member of the National Assembly for taking time and for their wonderful contributions. The National Assembly is known for adhering to timelines that are provided for in the Public Finance Management Act and in the Constitution as far as the passage of Budget-related legislations are concerned.

Hon. Temporary Deputy Speaker, I beg to support.

The Temporary Deputy Speaker (Hon. Kajwang'): Yes, Hon. Nyikal, the Member for Seme.

Hon. (Prof.) Nyikal: Thank you, Hon. Temporary Deputy Speaker. Let me start by appreciating the work that this Committee did. The Committee had to make many necessary adjustments. For example, we noticed that there was a lot of regional inequity in the funding of the universities. A university like Kenyatta has over Kshs1 billion while some like Chuka, Maseno and Egerton have very low funding. We also noticed that there was not much prioritisation of ongoing projects.

This means that many ongoing projects were not taking off. We are happy with programme-based projects although there are still issues where some itemised budgets are different thus making it very difficult to follow up.

We also noticed that there was duplication of funding. For example, you will find some funds for health under devolution while others are under the National Youth Service (NYS) slum upgrading programme. You will also find some funding for water under the NYS and the Ministry of Environment, Water and Natural Resources. This makes it very difficult to follow up.

We have done a good job on the Budget but the issue of corruption must be addressed. The Jubilee Government should ask itself why some corporations like the National Bank of Kenya, the Kenya Airways and Mumias Sugar Company were doing well during the coalition Government. However, we are now funding these corporations. We should find out what we should do with these corporations.

One of the things that I have liked in this project is the Social Safety Programmes. I particularly want to point out the addition that has come that elderly persons are now going to get health cover through the National Hospital Insurance Fund (NHIF). We look forward to bringing more welfare support programmes for our people.

I also like the support that has been in schools because capitation of schools has increased. The subsidy in agriculture, infrastructure and health has also increased.

Finally, I want to point out that we should look at the issue of leasing of equipment very carefully. I am not sure that we have made the appropriate arrangement for infrastructure that is required in terms of human resource and the timing of these instruments into the country. I also appreciate the work that the Budget and Appropriations Committee has done. Our Chairman is a very good slave driver, if I have to use that word, but good work has been done.

I support this.

(Question put and agreed to)

Hon. Musyimi: Hon. Temporary Deputy Speaker, I beg to move that the Appropriation Bill, National Assembly Bill No.32 of 2015 be now read the Third Time.

I wish again to request Hon. Alice Ng'ang'a, the Member of Parliament for the great people of Thika, to second.

Hon. (Ms.) A.W. Ng'ang'a: Hon. Temporary Deputy Speaker, I second.

(Question proposed)

(Some Members stood along the gangway)

The Temporary Deputy Speaker (Hon. Kajwang'): Can those Members resume their seats? Hon. Members, I have confirmed that we have a quorum for the purposes of making a decision.

(Question put and agreed to)

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

Next Order!

MOTION

ADOPTION OF REPORT ON SECOND SUPPLEMENTARY BUDGET

The Temporary Deputy Speaker (Hon. Kajwang'): Yes, the Chairperson of this Committee, the Member for Mbeere South. Give him the microphone, please.

Hon. Musyimi: Hon. Temporary Deputy Speaker, pursuant to the provisions of Standing Order No.48, I beg to move my Motion in an amended form by deleting the full stop at the end and inserting the following words:- "and,

(1) pursuant to Article 223(5) of the Constitution, approves the expenditure of 15 per cent over and above the sum appropriated for the Financial Year 2014/2015; and,

(2) further approves the issuance of a sum of Kshs193,322,650,616 from the Consolidated Fund to meet the expenditure during the year ending 30th June, 2015 in respect of the Votes as indicated in the Schedule in the Report".

The Motion I am moving will now read as follows:-

THAT, this House adopts the Report of the Budget and Appropriations Committee on the Second Supplementary Budget for the 2014/2015 Financial Year, laid on the Table of the House on Tuesday, 23rd June, 2015; and,

(1) pursuant to Article 223(5) of the Constitution, approves the expenditure of 15 per cent over and above the sum appropriated for the Financial Year 2014/2015; and,

(2) further approves the issuance of a sum of Kshs193,322,650,616 from the Consolidated Fund to meet the expenditure during the year ending 30th June 2015 in respect of the Votes as indicated in the Schedule in the Report".

The Second Supplementary Budget for the Financial Year 2014/2015 was submitted to the National Assembly on 27th May, 2015. This Supplementary Estimate proposes to increase the Budget for the 2014/2015 Financial Year by Kshs193.8 billion. The amount comprises of Kshs12.8 billion for the Recurrent Expenditure and 180.9 billion for Development Expenditure.

The First Supplementary Budget was submitted to the National Assembly on 18th December, 2014 and approved on 3rd June, 2015. It increased the 2014/2015 Budget by Kshs50.5 billion. The amount comprised of Kshs36.4 billion for the Recurrent Expenditure and Kshs14.1 billion for the Development Expenditure. This increased the total appropriated funds for the

2014/2015 Financial Year to Kshs1,232.9 billion. The approval of the Second Supplementary Estimates by this House will effectively increase the overall discretionary expenditure to Kshs1,426.7 billion.

A review of the expenditure proposals shows that the Government proposes to change the allocations for a number of spending agencies. Some of the substantial increments include Kshs138 billion to the State Department for Transport for the construction of the Standard Gauge Railway (SGR) and airport infrastructure and Kshs13.5 billion to the Ministry of Energy and Petroleum for geothermal generation and electricity submission.

There is also Kshs12.7 billion grants to the Kenya Urban Roads Authority (KURA), the Kenya Rural Roads Authority (KeRRA) and the Kenya National Highways Authority (KeNHA) under the State Department for Infrastructure. There is Kshs11 billion for security operations, Kshs4.9 billion for the NYS, Kshs4.2 billion for the National Treasury for emergency shareholder, a loan to the Kenya Airways and Kshs8 billion to the State Department for Agriculture for subsidy of Di-Ammonium Phosphate (DAP) fertilizer, purchase of maize stock and for the National Irrigation Board.

Allow me to make one or two comments about this loan to the Kenya Airways which is our national carrier. Before the collapse of the East African Airways (EAA) in 1977, it was led by Chief Fundikira of Tanzania. It was then handed over to the iconic Eliud Mathu, the first African Member of the LEGCO, as it then was in 1948. He became the first Chairman of the Kenya airways and gave very strong leadership to our national carrier. We owe a great debt of gratitude to President Moi because he took a very bold decision to have the debts at that time written off upon the request of the then Chairman of the Kenya Airways, the late brilliant mind, great Economist and entrepreneur, Mr. Phillip Ndegwa.

Under the leadership of President Moi, the carrier became what it is today and many others have contributed enormously to the Kenya airways.

Kenya Airways is going through turbulent times. I have talked to the Chairperson of the Committee on Finance, Planning and Trade and the Chairperson of the Committee on Transport, Public Works and Housing to find it necessary to do some investigations as to what is going on with our national carrier. We need Kenya Airways back.

Some of the substantial reductions include Kshs14.4 billion under the State Department for Education for the laptop programme, Kshs9.5 billion under the National Treasury for defined contributory pension scheme, Kshs3 billion under the National Treasury for the Equalization Fund, Kshs1.7 billion under the Ministry of Industrialisation and Enterprise Development for special economic zones and Kshs2.5 billion under the Judiciary for Development Expenditure.

Despite the overall expenditure increment, the Second Supplementary Budget has not provided information on how these expenditures will be funded. This is a matter of no small concern to my Committee. This raises concerns of whether revenues are expected to over-perform in the last few days of the year or whether the Government intends to increase borrowing.

With regard to whether we have adhered to the legal framework, Article 223(5) of the Constitution limits supplementary appropriation in a given financial year to not more than 10 per cent of the approved budget for that year except if Parliament has approved a higher percentage.

The total Supplementary Appropriation for the 2014/2015 Financial Year amounts to an additional expenditure of Kshs244.2 billion, which is a 15 per cent increment from the approved

2014/2015 Budget. The bulk of the increment is for the construction of the SGR amounting to Kshs130 million. My Committee noted that this was a flagship project for the Government and is also donor-funded.

The National Treasury is required to present to the House a request for approval of a higher amount above the 10 per cent of the Budget for the 2014/2015 Financial Year before approval of this Second Supplementary Estimates. That request has been made in writing and we will be making a recommendation today on that matter.

With respect to the Budget performance for this year that is coming to an end, as early as June this year, indications are that 71 per cent of the approved Budget has been spent. Some of the Ministries, Departments and Agencies (MDAs) such as the Ministry of Sports, Culture and Arts, the State Department of Commerce and Tourism and the Salaries and Remuneration Commission (SRC) have already exhausted their approved budgets and required additional funds through the Supplementary Budget.

Conversely, other spending agencies such as the Ministries of Foreign Affairs, the National Treasury, Energy and Petroleum, Industrialisation and Enterprise Development and Independent Policing Oversight Authority (IPOA) have spent less than 55 per cent of their allocated budget. There are possibly three reasons for the low spending in these MDAs:-

- (1) low reporting of A-in-A;
- (2) lack of Exchequer issues; and,
- (3) delays in projects implementation.

The National Treasury should ensure prompt release of funds to spending agencies. We also need to see actual reporting of A-in-A by the spending agencies and timely project implementation.

Given the fact that the financial year is almost coming to an end and looking at the current budget performance for this financial year, it is unlikely that some of the spending agencies will be able to exhaustively spend all the additional resources being voted to them in this Supplementary Budget. We also know that on the greatest part, the Government has also spent this money and they are just coming to us as is required by the Constitution in Article 223.

Some observations made by my Committee are that the Committee held fruitful deliberations, including many, with the National Treasury and various pertinent matters were raised on the proposed changes to various spending agencies.

Overall, the Supplementary Two Estimates lack adequate detail which will limit oversight. My Committee noted that the National Treasury should have attached a memorandum to the Supplementary Estimates with a lot of detail. We did get communication but it was a bit skeletal. It was not padded enough. We would like to see more detail in future should this happen again.

The Committee appreciated the National Treasury for presenting the Second Supplementary Budget in a programme-based format. However, it is observed that some of the spending agencies which were being allocated funds did not show a similar increase in their output and targets for the 2014/2015 Financial Year. It is, therefore, not clear how these additional resource allocations will impact on the projects and programmes being implemented or why it was necessary to allocate these funds in the first place.

The Budget and Appropriations Committee observed that there were a few projects and programmes reallocated from one ministry to another in the Supplementary Estimates. For

instance, the Efficiency Monitoring Unit and the Inspectorate of State Corporations have been moved from the State Department for Planning to the Presidency. This is disruptive to the budget process as it means that another ministry has to implement and account for money and output previously not allocated to it. It cannot be good for our work.

A huge proportion of the changes in the Recurrent Estimates is for use of goods and services and transfers to sagas. Given that the Budget was not accompanied with additional details, it is difficult to tell exactly where the change has been effected.

From the changes in the Development Estimates, the Committee was concerned with the reduction in the allocation to the Equalisation Fund by Kshs3 billion. The National Treasury indicated that the funds were reallocated to a number of development projects in marginalised areas. We need to fast-track regulations in this House to take care of this problem.

Article 204 of the Constitution provides that the funds allocated to the Equalisation Fund in any particular year, if not spent at the end of the year, should remain within that Fund. Furthermore, withdrawal from the Fund shall only be done if approved by the Controller of Budget and the Commission on Revenue Allocation (CRA) and their recommendations are taken into account. The Committee highlighted that this procedure was not followed and, therefore, we would be recommending that this reduction be declined.

My Committee also noted that Kshs2 billion had been set aside by the National Treasury for the Mumias rights issue. However, noting that the financial year was coming to an end and that the rights issue may not be held, it was deemed fit to have the allocation deferred and included in the 2015/2016 Budget.

During its deliberations for the Second Supplementary Estimates, the National Treasury presented to my Committee a number of proposed amendments to particular Votes. The National Treasury indicated that the amendments were only reallocations of some Votes and had zero impact on overall Estimates. These amendments were to be considered in the First Supplementary Estimates, but due to the limited time for approval of the first Supplementary Appropriation Act, the Committee had directed the National Treasury to include them in the Second Supplementary Estimates.

The National Treasury also proposed to the Committee for an additional increment in the funding for the SGR by Kshs4 billion to be funded from the local A-in-A. This increase in local A-in-A was in respect of the Railway Development Levy. So, this will not have an increment in the funds sourced from the Exchequer.

You can tell from the narrative I have given that having considered the above, my Committee recommends that this House rejects the reduction of Kshs3 billion for the Equalisation Fund under the National Treasury. The other details are contained in the Report as to what is to be reallocated and reduced.

As I conclude, I wish to recommend that this House resolves to:

- (1) Approve the Report of the Budget and Appropriations Committee on the Second Supplementary Estimates for the 2014/2015 Financial Year;
- (2) That pursuant to Article 223(5) of the Constitution, this House approves 15 per cent expenditure over and above the sum appropriated for the 2014/2015 Financial Year and;

- (3) This House approves a total expenditure of Kshs198,322,650,616 to meet the expenditure during the 2014/2015 Financial Year in respect of the Votes as attached in the Schedule.

Thank you for giving me this opportunity to move this Motion. I wish to recommend that Hon. Makali Mulu, the Member of Parliament of the great people of Kitui seconds this Motion.

The Temporary Deputy Speaker (Hon. Kajwang'): Yes, the Member for Kitui Central.

Hon. Mulu: Thank you, Hon. Temporary Deputy Speaker, for giving me the chance to second this Motion. Just as the Chairman of the Committee has said, the Budget and Appropriations Committee took a lot of time to discuss these Supplementary Estimates, as this is the second one. We support the submission by Treasury in relation to the increment they have done in terms of changing money for particular departments and Ministries. Even as we do that, as my Chairman has said, we have a number of concerns. It is important to put these concerns on record.

My first concern relates to Article 223 of the Constitution, which talks about Supplementary Estimates. This is where Treasury is only allowed to change the Budget by a maximum of 10 per cent but as you can see, they have gone beyond 10 per cent. We are now talking about 15 per cent because of the special nature of the increment in terms of infrastructure development and more so the Standard Gauge Railway, which the Committee has approved. As we move forward, it is important that this is not repeated as it contravenes the Constitution. It is important that we plan well. Reviewing the Budget upwards by more than 10 per cent is a clear indication that you do not get the planning aspect of it correctly.

Hon. Temporary Deputy Speaker, I want to congratulate the Committee because we rejected a proposal to move Kshs3 billion from the Equalisation Fund and allocate it to other development projects. The Constitution is very clear, in Article 204, that for any money to be withdrawn from the Equalisation Fund, there is need to consult the Commission on Revenue Allocation (CRA). Consultation has not been done. On the basis of that, we rejected that reduction. According to me, that is the right way to go.

I ask the hon. Members of this House that we make sure we facilitate conclusion of the regulations required to have this Fund used by the marginalised counties. You realize the money was supposed to be used by 14 counties and this is the Third Budget we are doing as a House---

The Temporary Deputy Speaker (Hon. Kajwang'): Member for Likuyani, what is out of order?

Hon. (Dr.) Kibunguchy: Hon. Temporary Deputy Speaker, as I listened to the Mover, and now the Seconder, I am getting disturbed. The Constitution is very clear that the Supplementary Budget should not go beyond 10 per cent. So, does the Committee have any powers to contravene the Constitution? Where do they get those powers from?

The Temporary Deputy Speaker (Hon. Kajwang'): I see what you mean but, please; allow the Motion to be seconded first then we can debate it. I will probably give you the first opportunity once the Motion is seconded.

Proceed, Hon. Mulu.

Hon. Mulu: Thank you, Hon. Temporary Deputy Speaker. Before we get to that---

The Temporary Deputy Speaker (Hon. Kajwang'): Hon. Mulu, you are not called to respond but you will just finish what you are doing. Somebody will raise the matter and we will get direction as we proceed.

Hon. Mulu: I want to read the section which provides the Committee with the powers. The laws says---

The Temporary Deputy Speaker (Hon. Kajwang’): What I am saying is that I do not want you to take more time now that Hon. Kibunguchy has raised this matter. I want you to finish so that the Member can tell us what he has in mind.

Hon. Mulu: Properly guided, Hon. Temporary Deputy Speaker. As we move forward, the other issue that is of concern is the issue of implementation time. As we pass these Supplementary Estimates – I am pleading with the House to approve them – we have about a week to the closure of the financial year. The challenge is that, because of the short timeframe that we have to implement it, the Ministries, Departments and Agencies (MDAs) might rush processes to use this money. This is where opportunities for rent-seeking crop up. In the future, we need to make sure that we approve Supplementary Budgets when there is time to implement them.

Another issue of concern is that we have realised in this Supplementary Budget that monies have been moved from spending agency to other. Initially, this was supposed to be implemented by a particular spending entity and accounted for by that entity. However, in this Supplementary Budget, we have moved money from one agency to another, which means that we are changing the implementing and accounting agency at the same time. This is a serious thing and we need to make sure that it does not happen again. What it means is that it will cause confusion in terms of implementation. As a House, we need to insist that when money is put under a particular agency, it should be spent by that agency.

Hon. Temporary Deputy Speaker, the other thing which is of interest – which I would like to thank the Treasury for – is that when you look at these Supplementary Estimates, you will appreciate that a lot of money has been moved from Recurrent Expenditure to Development Expenditure. This is the way to go for this country to grow. It is only through putting aside resources for Development Expenditure that we can grow the economy and make lives of Kenyans better.

This Budget is a bit focused on infrastructural development. It is important that we put more money into infrastructure, especially if the money is borrowed. Once we provide the necessary infrastructure, commercial activities will start and the people will grow their businesses. Even if we borrow money, as long as it goes into infrastructural development, the country will grow.

Another important issue I would like to talk about is where we have Supplementary Estimates seeking to increase the Budget, but there is no clear indication as to how that increase will be financed. We have said many times in this House that when a proposal is made to increase funding, there should also be proposal as to how that increase is to be funded. It is through such increases that our public debt grows.

The Supplementary Estimates have increases in terms of funding, but we have not been told anything in terms of outputs and changing targets. Whereas we are increasing money for infrastructural development, we should be told that increasing the Ministry’s budget by Kshs1 billion, the Ministry’s output will change by a certain percentage. In this case, that has not happened. Unless that happens, we will continue to provide additional funds to Government spending entities without getting value for that money.

Hon. Temporary Deputy Speaker, we have been given an additional Kshs198 billion in this Supplementary Budget. This is not a small amount of money. Moving forward, as a House, we need to demand that, through the Controller of Budget, we be told in future how this money was spent and what targets were achieved as a result.

With those few remarks, I beg to second the Motion.

(Question proposed)

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

The Temporary Deputy Speaker (Hon. Kajwang'): The Member for Kisumu East, what is out of order?

Hon. S.S Ahmed: Hon. Temporary Deputy Speaker, this is a very important issue. I would like to bring to your attention the fact that we do not have a Quorum to discuss an item of such great importance.

The Temporary Deputy Speaker (Hon. Kajwang'): The Member for Kisumu East is rising in his place to claim that there is no quorum. I, therefore, order that the Quorum Bell be rung for a continuous period of 10 minutes for the business of the House to resume.

(The Quorum Bell was rung)

Order ! Resume your seats. We must have order in the Assembly. All right, I order that the Quorum Bell now stops ringing. Even after the Quorum Bell has rung, I notice that the House is below the quorum. As you are aware, under the Standing Orders, when we are on proceedings, you need to know these things so that when you claim quorum you know the consequences. When the quorum is called in the course of proceedings, the Quorum Bell can only ring for 10 minutes. If there is no quorum before the start of proceedings then it can ring for 10 minutes and the Speaker or the Chairperson has the authority to extend it for another five minutes. In this case, we only have 10 minutes to ring that Bell.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Kajwang'): That Bell having been rung enough. Hon. Members, there being no quorum and the time being 5.29 p.m., the House stands adjourned until Thursday, 25th June 2015 at 2.30 p.m.

The House rose at 5.29 p.m.