

NATIONAL ASSEMBLY

OFFICIAL REPORT

DEFINING ROLES AND RESPONSIBILITIES

- The System administrator will ensure facilities are available.
- The System administrator will ensure sufficient backup drives are available and shall take overall responsibility for trust adherence to this policy.
- Assistant Systems Admin will ensure backup operators are available, check the backup log for completion, be responsible for the safekeeping and availability of all back-up media and logs, and meet with departments with regard to actual/test restores.
- Assistant Systems Admin will ensure backup logs are completed and signed in a timely manner, report any backup failures and log with [insert as relevant], and investigate any reported exceptions.

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

PRAYERS

COMMUNICATION FROM THE CHAIR

Hon. Speaker: The Communication will come later.

PAPERS LAID

Hon. Aden Duale (Garissa Township, JP): Hon. Speaker, I beg to lay the following Papers on the Table of the House:

The National Government Budget Implementation Review Report for the Financial Year 2017/2018 from the Office of the Controller of Budget.

The Reports of the Auditor-General and Financial Statements in respect of the following institutions for the year ended 30th June 2017 and the certificates therein:

- (a) The State Department of Infrastructure;
- (b) Kenya Leather Development Council;
- (c) Chemelil Sugar Company Limited;
- (d) Moi University;
- (e) Pubic Trustee of Kenya;
- (f) Kenya Airports Authority;
- (g) The Co-operative University of Kenya; and
- (h) State Department of Agriculture;

Report of the Auditor-General and Financial Statements of the following institutions for the period that ended 30th September 2017 and the certificates therein:

- (a) The National Alliance Party; and
- (b) The United Republican Party.

The Reports of the Auditor-General and Financial Statements of the United Republican Party for the year ended ended 30th June 2016 and the certificate therein.

The Report of the Auditor-General and Financial Statements in respect of the following constituencies for the year ended 30th June 2017 and the certificates therein:

- (a) Emurua Dikirr Constituency;
- (b) Sotik Constituency;
- (c) Gilgil Constituency;
- (d) Rongai Constituency; and
- (e) Mbeere Constituency.

Hon. Speaker: Chairperson, Departmental Committee on Environment and Natural Resources.

Hon. Kareke Mbiuki (Maara, JP): Hon. Speaker, I beg to lay the following Paper on the Table of the House:

Report of the Departmental Committee on Environment and Natural Resources on Petition regarding the lifting of ban on logging and harvesting of mangroves in Lamu County.

Hon. Speaker: Chairperson, Departmental Committee on Health.

Hon. (Ms.) Sabina Chege (Murang'a CWR, JP): Hon. Speaker, I beg to lay the following Papers on the Table of the House:

Reports of the Departmental Committee on Health on:

- (a) Kenyatta University Teaching and Referral Hospital Project; and
- (b) Alleged Irregular Specialist recognition of Dr. Samira Soni by the Kenya Medical Practitioners and Dentists Board.

Hon. Speaker: The Vice-Chairman, Departmental Committee on Sports, Culture and Tourism, Vice-Chair, Hon. (Dr.) Lemein Korei.

Hon. Korei ole Lemein (Narok South, JP): Hon. Speaker, I beg to lay the following Paper on the Table of the House:

Reports of the Departmental Committee on Sports, Culture and Tourism on:

- (a) Delegation to the Zanzibar International Film Festival held at Stone Town Zanzibar, Tanzania, from 6th to 16th July 2018.
- (b) Consideration of public petition regarding harassment and confiscation of slot and gaming machines belonging to the members of Counties Amusement and Gaming Society by Hon. George Theuri, MP.

Thank you.

Hon. Speaker: Very well. Chairperson of the Committee on Delegated Legislation.

Hon. (Ms.) Gladys Boss Shollei (Uasin Gishu CWR, JP): Hon. Speaker, I beg to give notice of the following Motion:

That, this House adopts the Report of the Committee on Delegated Legislation on its consideration of the Public Finance Management (Sports, Arts and Social Development Fund) Regulations, 2018, Legal Notice No.174 of 2018, laid on the Table of the House on Wednesday 17th October 2018 and pursuant to the provisions of Section 15(1) of the Statutory Instruments Act, 2013 and Standing Order No.210(4)(b) annuls in entirety the said regulations.

Hon. Speaker: That sounds like a Notice of Motion, Hon. Shollei. I thought you are tabling. You were first of all to lay the Paper on the Table of the House. The first part of that is ordered expunged because the Paper needs to be laid first. I have seen the Report and approved it for tabling.

Hon. Aden Duale (Garissa Township, JP): On a point of order.

Hon. Speaker: There is nothing out of order.

Hon. (Ms.) Gladys Boss Shollei (Uasin Gishu CWR, JP): Thank you, Hon. Speaker. I beg to lay the following Paper on the Table of the House:

Report of the Committee on Delegated Legislation on its consideration of the Public Finance Management (Sports, Arts and Social Development Fund) Regulations, 2018 (Legal Notice No.174 of 2018)

Hon. Speaker: Very well. Next Order.

Hon. Speaker: Hon. Shollei?

NOTICES OF MOTIONS

REPORT ON PUBLIC FINANCE MANAGEMENT (SPORTS, ARTS AND SOCIAL DEVELOPMENT FUND) REGULATIONS

Hon. (Ms.) Gladys Boss Shollei (Uasin Gishu CWR, JP): I beg to give notice of the following Motion:

THAT, this House adopts the Report of the Committee on Delegated Legislation on its consideration of the Public Finance Management (Sports, Arts and Social Development Fund) Regulations, 2018 (Legal Notice No.174 of 2018), laid on the Table of the House on Wednesday 17th October 2018 and pursuant to the provisions of Section 15(1) of Statutory Instruments Act, 2013 and Standing Order No.210(4)(b), annuls in entirety the said Regulations.

Hon. Speaker: Very well. That is now proper. Hon. Sabina Chege.

REPORT ON KENYATTA UNIVERSITY TEACHING AND REFERRAL HOSPITAL PROJECT

Hon. (Ms.) Sabina Chege (Murang'a CWR, JP): Thank you, Hon. Speaker. I beg to give notices of the following Motions:

THAT, this House adopts the Report of the Departmental Committee on Health on Kenyatta University Teaching and Referral Hospital Project laid on the Table of the House on Wednesday 17th October 2018.

REPORT ON ALLEGED IRREGULAR SPECIALIST RECOGNITION OF DR. SAMIRA SONI

THAT, this House adopts the Report of the Departmental Committee on Health on alleged irregular specialist recognition of Dr. Samira Soni by the Kenya Medical Practitioners and Dentists Board, laid on the Table of the House on Wednesday 17th October 2018.

Thank you, Hon. Speaker.

Hon. Speaker: Hon. Korei.

NOTING OF REPORT BY DELEGATION TO ZANZIBAR INTERNATIONAL FILM FESTIVAL

Hon. Korei ole Lemein (Narok South, JP): Thank you, Hon. Speaker. I beg to give notice of the following Motion:

THAT, this House notes the Report of the Departmental Committee on Sports, Culture and Tourism on the Committee's delegation to the Zanzibar International Film Festival held at Stone Town Zanzibar, United Republic of Tanzania, on 6th to 16th July 2018, laid on the Table of the House on Wednesday 17th October 2018.

Thank you, Hon. Speaker.

Hon. Speaker: Next Order.

QUESTIONS

Question No.064/2018

STATUS OF SPORTS POLICY ON PERSONS WITH DISABILITY

Hon. Speaker: The first Question is by Hon. Dennitah Ghati.

Hon. (Ms.) Dennitah Ghati (Nominated, ODM): Thank you very much, Hon. Speaker. I beg to ask the Cabinet Secretary for Sports, Culture and Arts the following:

(a) Provide the implementation status of the sports policy with regard to persons living with disability in the country.

b) List the sporting activities for persons with disability in the country.

Hon. Speaker: Very well. The Question is referred to the Departmental Committee on Sports, Culture and Tourism to prioritise for the Cabinet Secretary to appear and answer.

The next Question is by the Member for West Mugirango Constituency.

Question No.065/2018

ENFORCEMENT OF PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT

Hon. Vincent Kemosi (West Mugirango, FORD-K): Thank you, Hon. Speaker. I beg to ask the Cabinet Secretary for Transport, Infrastructure, Housing and Urban Development the following:

a) What measures has the Ministry put in place to ensure compliance with the requirement of the Public Procurement and Asset Disposal Act in respect to contractors who fail to honour contractual agreements by running behind schedules and delaying implementation of various projects in the country?

b) What is the status of Metamayu-Kebirigo Road in Nyamira County in regard to adherence to contractual agreements?

Hon. Speaker: The Question is referred to the Departmental Committee on Transport, Housing and Urban Development to prioritise for the Cabinet Secretary to appear and respond to the Questions and any other supplementary questions that may be available. The next Question is by the Member for Murang'a County.

Question No.069/2018

STATUS OF LAST MILE ELECTRICITY CONNECTIVITY PROGRAMME

Hon. (Ms.) Sabina Chege (Murang'a CWR, JP): Thank you, Hon. Speaker. I beg to ask the Cabinet Secretary for Energy the following:

a) What is the implementation status report of the Last Mile Electricity Connectivity Programme, and connectivity plan in Murang'a County?

b) What informed the revision of the Last Mile Electricity Connectivity Programme rates?

Hon. Speaker: It is referred to the Departmental Committee on Energy to prioritise and give notice to the CS to appear to respond.

Finally, Member for Murang'a, once again, it is your second Question.

Question No.070/2018

COMPENSATION FOR VICTIMS OF TERROR ATTACK

Hon. (Ms.) Sabina Chege (Murang'a CWR, JP): I beg to ask the Cabinet Secretary for Interior and Coordination of National Government the following:

a) When will the family of the late Stephen Kabii from Kigumo Constituency who lost his life at the OTC Bus Stop terror attack be compensated?

b) What plans has the Ministry put in place to ensure that all victims of terror attacks, including the 1998 terror attack on the US Embassy bombing, are compensated?

Hon. Speaker: Very well. It is referred to the Departmental Committee on Administration and National Security to prioritise for a response by the Cabinet Secretary. That brings us to the end of Questions.

There is a Statement to be made by Hon. Ben Momanyi.

STATEMENT

DEMISE OF LATE HON. NYARANGI MOTURI

Hon. Ben Momanyi (Borabu, WDM-K): Hon. Speaker, I wish to give a Statement on the demise of the late Hon. Nyarangi Moturi, who was once a Member of Parliament for North Mugirango Borabu.

Pursuant to Standing Order No.43, I wish to make a Statement regarding the passing on of the late former Assistant Minister and the Member of Parliament for North Mugirango Borabu, Hon. Nyarangi Moturi on Wednesday, 10th October 2018. Hon. Nyarangi Moturi was elected on a KANU ticket in the year 1987 and served until the term of the 6th Parliament in October 1992. He championed development and was a firm believer in the decentralised system of governance and a dedicated leader who fought for the rights of his people and served both his constituents and the nation at large with utmost commitment.

He never shied away from political leadership. Hon. Nyarangi Moturi successfully contested Nyamira senatorial seat in 2013 through Chama cha Mashinani, which he was a founder. At the time of his death, Hon. Moturi was a businessman with investments in Matutu, Borabu Constituency and Nairobi.

We, as the family and Members have organised a fundraiser today, 17th October from 5.00 p.m., at the Nairobi Central Seventh Day Adventist Church, old sanctuary, with burial taking place at his home in Matutu Settlement Scheme in Borabu Constituency on 26th October 2018.

I wish to take this opportunity, on my behalf and on behalf of the people of Nyamira County, to convey my sincere condolences to the family and friends of Hon. Nyarangi for the loss of this great leader from Gusiiland. May his soul rest in eternal peace.

When Hon. Nyarangi Moturi was a Member of Parliament, the constituency was North Mugirango Borabu which was later split into North Mugirango and Borabu Constituency. So, in the National Assembly, the constituency that Hon. Nyarangi served is now shared between Hon. Joash Nyamoko, the Member for North Mugirango and I. So, I wish Hon. Nyamoko gives his condolences too.

Hon. Speaker: You know you cannot force a Member to give condolences if he has not placed a request.

(Hon. Vincent Kemosi spoke off record)

Hon. Kemosi Vincent, do not just raise your hand and start shouting from where you are seated 'and me'. You first put a request and I will see it from the screen here. You have not. Hon. Members, remember I told you how to...

Now you are doing the right thing, your name has appeared.

Hon. Vincent Kemosi (West Mugirango, FORD-K): Let me also take this opportunity to condole with the family of the late Nyarangi Moturi. The late Nyarangi Moturi served as a Member of Parliament for North Mugirango Borabu in 1987 to 1992. He was also an Assistant Minister and during his time, North Mugirango Borabu grew in terms of schools. He liked education. Hon. Nyarangi Moturi leaves behind a legacy in Kisii as a Christian who motivated the young people, I included. Therefore, Kisii region has really suffered a setback because he was an elder there later in his life.

We have lost quite a number of leaders in Kisii in the last few days, but I wish to state that Nyarangi was an icon. He is what we emulated. In his time, he was known as *esirori nyamaguta*, a nickname that he was identified with. Therefore, in this particular moment, I wish to join the family in eulogising the late Nyarangi Moturi. May he rest in peace.

Thank you, Hon. Speaker.

Hon. Speaker: Let us hear from the Member of Makueni.

Hon. Daniel Maanzo (Makueni, WDM-K): Thank you, Hon. Speaker for giving me an opportunity to mourn with the family of Hon. Nyarangi Moturi. This is one of the former Members of Parliament who have been good examples to a lot of young people. He has stayed in business and politics. In fact, he started his political party which he used to vie for a senatorial seat. This means that he was an active politician until his demise. We want to mourn with the people of Borabu led by the next governor of Nyamira. We had opportunity to visit the area, and you can see he set good standards. He is a good example of a leader. We mourn with the constituents and the family. I thank you, Hon. Speaker.

Hon. Speaker: Finally, Member for Vihiga.

Hon. (Ms.) Beatrice Adagala (Vihiga CWR, ANC): Thank you, Hon. Speaker for giving me this opportunity to mourn with the family of the late Hon. Nyarangi Moturi and the people of Kisii. I would like to give my condolences on my behalf and on behalf of the people of Vihiga

County, to the people of Kisii and Nyamira counties for the demise of our former Member of Parliament for North Mugirango Borabu, Hon. Nyarangi Moturi. I wish to condole with that family. May God be with them at this moment of grief.

Thank you, Hon. Speaker.

Hon. Speaker: Member for South Mugirango.

Hon. Silvanus Onyiego (South Mugirango, KNC): Thank you, Hon. Speaker for giving me this opportunity to equally mourn Hon. Nyarangi. I just took note that North Mugirango happens to be in Nyamira County while South Mugirango is in Kisii County. On behalf of Kisii County, Members of Parliament, and South Mugirango Community, I want to condole with the family of Hon. Nyarangi. We would like to take the opportunity to probably inform the House that we should have a mechanism of remembering some of the people who served greatly in this House even if it is one or two terms. There should be a way that they can be remembered and given an honorary send off. I want to pass my condolences to the family and the people of North Mugirango.

Thank you.

Hon. Speaker: May his soul rest in eternal peace. Next Order!

BILLS

First Readings

THE COUNTY BOUNDARIES BILL (SENATE BILL NO.6 OF 2017)

THE OFFICE OF THE COUNTY ATTORNEY BILL (SENATE BILL
NO.3 OF 2018)

*(Orders for First Reading read –Read the First Time and
ordered to be read the Second Time tomorrow)*

REPORT AND THIRD READING

THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL

(Question put and agreed to)

Hon. Speaker: Mover.

Hon. Aden Duale (Garissa Township, JP): Hon. Speaker, I beg to move that the County Governments Retirement Scheme Bill (National Assembly Bill No.10 of 2018) be now read a Third Time.

I request the Deputy Speaker to second.

Hon. Speaker: Deputy Speaker.

Hon. Moses Cheboi (Kuresoi North, JP): I second.

(Question proposed)

Hon. Members: Put the Question!

(Question put and agreed to)

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

Next Order.

MOTION

REPORT ON ANNUAL WORLD BANK
CONFERENCE ON LAND AND POVERTY

(Hon. Khatib Mwashetani on 16.10.2018)

(Debate concluded on 16.10.2018)

Hon. Speaker: Again, Hon. Members, debate on this Report was concluded yesterday and what remained was for the Question to be put, which I hereby do.

(Question put and agreed to)

Hon. Members, if you all look at your Order Paper, you will notice that we are supposed to go to Order No.12. But before we do so, if Hon. Cornelly Serem could take his seat... You are walking like you are in the constituency.

(Laughter)

When Hon. Cornelly Serem is in the constituency, he walks in a way that the constituents notice that he has arrived.

COMMUNICATION FROM THE CHAIR

SECOND READING OF THE CONSTITUTION OF KENYA
(AMENDMENT) (NO.2) BILL

Hon. Members, as you are all aware, this afternoon the House will be taking a vote on the Question for the Second Reading of the Constitution of Kenya (Amendment) (No.2) Bill (National Assembly Bill No.5 of 2018) as required by the dictates of Article 256 of the Constitution. That Article provides that a Bill to amend the Constitution shall be passed by the House if it is supported by not less than two-thirds of all Members of the House at the Second Reading.

At the outset, allow me to explain the procedure of voting for the Bill, which should not be confused with the recent vote taken by this House in relation to the President's Reservations on the Finance Bill, 2018. Indeed, the procedure for considering the President's Reservations is

clearly set out in Article 115 of the Constitution and National Assembly Standing Order 154. Without going into so much detail, the provisions of Article 115 of the Constitution require the House to have a majority of the Members present and voting, as provided for in Article 122 of the Constitution, where the House agrees with the reservations of the President, so long as there is quorum present.

In this case, in the least, the permissible number in support of a majority vote is 26 Members, being half of the quorum of the House plus one member, assuming that only a number equal to quorum is present and voting. It is important to note that questions for decision of the House are put in the positive as I have explained before in a number of rulings. Our default voting procedure on questions for determination by simple majority is also by voice votes as required by Standing Order 69 which, as you all know, is a collection of the voices of the “Ayes” and “Nays”, howsoever the voices may be collected.

At the first instance, therefore, voting on the President’s reservations is by way of voice votes and two-thirds of the Members need not be present so long as there is quorum of 50 Members present in the House. This is how this House voted on 20th September 2018 during the consideration of the President’s reservations on the Finance Bill, 2018.

However, as you further know, where Members of the House seek to negate the President’s reservations, the provisions of Article 115 require 233 to vote against the reservations. As you would recall, during the consideration of the President’s reservations, this played out well in this House, but it seemed that either a sizeable number of Members did not understand the procedure or, having known the procedure, just chose to ignore it. I have taken the liberty to explain this process so that you do not confuse it with the procedure we are about to engage at the Second Reading of this Bill and demand a voice vote today.

As provided for in the Standing Orders, which I need not reiterate, voting in Division is done either by electronic or roll call voting and the procedures are well explained in Standing Orders 70 and 73, respectively. To jog your mind, I am sure you recall that during the consideration of the President’s reservations, some Members declined to take a vote either electronically or through roll call voting hence the voice vote carried the day. Consequently, the process of voting on the President’s reservations is so distinct and different from the process of voting on Bills to amend the Constitution and the two should never even be compared. Since many Members are going to engage in electronic voting for the first time today, may I, therefore, explain the process of electronic voting. The process has two steps.

I wish to resume my seat to allow those who are making their way to come in.

(Several Members walked into the Chamber)

Please, make your way in quickly. Now the Member for Ugunja wants to start moving. Just make your way through quickly, please. Never mind, even those with ribbons you are welcome. Take your seats.

The process has two steps, the first one being, confirmation of process of not less than 233 Members in the House and the second step is the actual voting, which will only take place if not less than 233 Members are present in the House after the ringing of the Division Bell.

To ascertain the Members present, the following will happen:

(i) I will call the Division Bell to be rung for 10 minutes. Hon. Members, this is provided for in the Standing Orders.

- (ii) At the end of ten minutes, the doors shall be locked and the Bar drawn. No Member shall enter or leave the House after this stage.
- (iii) I will then request all Members present in the Chamber to log out of the system.
- (iv) During this log out step, I will require Members without their cards or those with difficulties being identified electronically, to stand by the public servants' benches to be recorded manually by the Clerks-at-the-Table and continue staying there until the end of the voting process.
- (v) Members with their cards will have 60 seconds to log into the system.
- (vi) Members without cards will be recorded manually.
- (vii) The number of Members present shall be displayed on the screens, while the number of Members recorded manually will be tallied by the Clerks-at-the-Table.
- (viii) Both the total Members present as displayed on the screens and Members recorded manually will be tallied.
- (ix) If not less than 233 Members are in the House, the House shall proceed with the voting. If less than 233 Members are present, voting shall not proceed.

Hon. Members, to vote electronically, the following will happen:

- (a) I will request all Members to log out of the system.
- (b) I will thereafter request Members to log into the system. In this case, Members will have 60 seconds to do so.
- (c) Members without their cards standing by the public servants' benches shall have their votes recorded manually by the Clerks-at-the-Table by stating whether they are 'in favour of' or 'against' or 'abstain' from the Question, and continue staying there until the end of the voting process.
- (d) Members who have cards will have 60 seconds to vote.
- (e) I will thereafter put the Question for the Second Reading of the Constitution of Kenya (Amendment) (No.2) Bill (National Assembly Bill No.5 of 2018) sponsored by the Member for Kiminini, Hon. Chrisantus Wamalwa.
- (f) All Members shall cast their votes by pressing either the "Yes", "No" or "Abstain" buttons. No Member shall fail to vote either of the two options or record their abstention as failure to do so is gross misconduct.
- (g) As voting is going on, the results of the electronic vote will be displayed on the screens and shown with a positive (+) being "Yes", a negative (-) being "No" and a zero being "Abstention".
- (h) Results of electronic votes as appearing on the screens and votes recorded manually shall be tallied.

Finally, I shall forthwith announce the results. So, Hon. Members, including those ones who are at the door, be advised accordingly.

Hon. Speaker: Hon. Members, this is the problem. The Member for South Mugirango is again shouting on a point of information. Who are you informing? Please, read your Standing Orders. Hon. Vincent Mogaka, you are a trained lawyer. Why are you finding it difficult to read these and they are simple? They are not as complicated as the laws that you have read.

Hon. Members, we cannot start now. There is nothing to debate at this point.

Hon. Owen Baya (Kilifi North, ODM): On a point of order.

Hon. Speaker: Hon. Baya, what is out of order? It must be a point of order.

Hon. Owen Baya (Kilifi North, ODM): Hon. Speaker, last time when the voting was done, there was a gross error on the screens.

Hon. Speaker: That is not a point of order. Now that has been corrected and that is not a point of order, resume your seat. All those electronic malpractices which were there by the machines have been corrected and the number of Members present will be correctly shown.

Order Members.

Next Order.

BILL

Second Reading

THE CONSTITUTION OF KENYA (AMENDMENT) (NO.2) BILL

Hon. Speaker: Hon. Members, as already explained, we are on Order No.12 and I, therefore, order that the Serjeant-at-Arms rings the Division Bell for 10 minutes.

(The Division Bell was rung)

Order Members! Order! Take your seats. Hon. Rono, take your seat. Hon. Members, I now direct that the doors be locked and the bars drawn.

(Serjeant-at-arms drew the bars)

Hon. Members, I just want to remind you that at this point no Member is allowed to enter or leave the Chamber. Therefore, I request all Members to log out. Hon. Moroto, do you have a problem? I have received representation about some Members who have lost their cards and have not replaced them.

Hon. Keter, just relax. Others have had problems of their faces and/or bio data not being recognised by the machines. Hon. Members, this is the reason I gave this Communication. Those Members without cards, you are kindly requested to come to the public servants' benches. Some of you can come to the left also. You can come to either side. No problem. Just walk straight. Hon. Nyasuna Wanga, are you without a card or incapable of recognition? Maybe it is because of the white ribbon. Maybe the machines are not able to recognise you when you wear the white ribbon. Please, come to the public servants' bench.

Hon. Members, this stage is merely first to ascertain how many Members are present. So, those with cards, log in for purposes of knowing how many of you are present.

Hon. Members, as we said, this is for purposes of establishing how many Members are present.

(Loud consultations)

Order, Hon. Members! Order! Order! Order, Hon. Members! Hon. Members, I think this story about rigging is too much. Hon. Members, electronically, the list of Members present is 172. Members present manually are 15. The total number of Members present in the House is 187. Accordingly, the House cannot proceed to vote on the Motion for Second Reading and, therefore, the Motion is defeated.

Hon. Members, the important point is sometimes you may think that you are very many because you are moving up and down or dancing or singing, but you can see how few you are. Out of 349

Members, there are only 187. Hon. Members, the Motion is defeated. That is all. That is the end of the matter.

(The Bill was defeated)

(Loud consultations)

Hon. Speaker: Order Members! Serjeant-at-arms, you may open the doors. Those Members who have difficulty staying in the Chamber are now at liberty to go and do other things in other places. Those Members who have difficulty in staying for too long in the Chamber can withdraw, but should do so without disrupting the business that is being undertaken. Allow the House to proceed.

Let us move to the next Order. Hon. Junet, what is your point of order?

Hon. Junet Nuh (Suna East, ODM): Thank you, Hon. Speaker. First, I want to condole with my deputy for the devastating loss he has encountered today. Constitutional Bills are heavy Bills. You require numbers. When you belong to a party with 10 Members, you know the consequences of tabling such a Bill.

(Laughter)

More importantly, I want to speak to the Communication that you made today. It is very important for this House and those Members who care. Being in Parliament is a process of learning for the five years that you are here. You learn every day from the Speaker's Communications, the Standing Orders and the Constitution. Today is a classic example of how Parliament conducts its business in terms of voting. Hon. Speaker, we did it very well because you are in the Chair. When a Member tables a constitutional Bill, as you said well in your Communication, he must know at the back of his mind that he requires 233 Members during the Second and the Third Reading stages and 31 Members in the Second and Third Reading stages in the Senate.

The President's Memorandum, as you said, requires a simple majority to pass, but you require two-thirds to negate it. When the first Question is put, the "Ayes" can have it. In the second round when the numbers are counted, if there are 200 Members like we were today, the "Noes" will still carry the day because you do not have the numbers to negate it. I implore the new Members - because they learnt these processes during the last term - to take their time to learn how those things are done in the House. Singing and praising the Lord and making all kinds of noises will not help on the Floor of this House. What counts is the numbers. How many numbers do you have to pass your Motion or Bill?

I congratulate you for your Communication today. I want that Communication to be given to every Member so that they can read and understand it. If people do not know English, we can translate it into Kiswahili. If you do not know Kiswahili, you can learn it in your vernacular. This is so that when you come here, you know how voting is done in the House.

With those few remarks, I support.

Hon. Speaker: Leader of the Majority Party, what do you want to say about this?

Hon. Aden Duale (Garissa Township, JP): Hon. Speaker, first, I thank Hon. Chris Wamalwa. It is the right of every Member of this House to table any Bill including a constitutional Bill. In my 12 years in Parliament, Hon. Chris Wamalwa has tried, especially

coming from a small party. He has really tried. Even where the leadership of both Houses and the big parties, namely, ODM and Jubilee and their party leaders speak, we sometimes do not attain the two-thirds.

Your Communication and what happened this afternoon is how Parliament should conduct its affairs. Those who are used to singing and the choir masters should know that this is how the House must conduct business, whether we are dealing with a Presidential Memoranda or a constitutional amendment Bill. This is also a wake-up call for any Member or group of Members who will decide to table any constitutional amendment. It is not about whether or not you wear a white ribbon. It is about the numbers you get and how you convince each one of us. By wearing a white ribbon, you are separating yourself from the rest of the Members. All of us should wear a white ribbon on the day that Bill is discussed. Do not discriminate. Right now, somebody will ask why are there are few Members.

The other thing people must learn is that for you to survive with a constitutional amendment Bill, you must speak to the majority and the minority leadership. We are not here by default. We are here to represent political parties. The work of political parties is to legislate. As a leader, Hon. Wamalwa never came to my office. He never engaged me. He thought he can pass this Bill with his 11 Members of Parliament. Hon. Olago Aluoch is agitated.

Hon. Speaker, even from the numbers you have read, there are a number of us who were ready to vote “No”. In the 11th Parliament, Hon. Ochieng brought a similar Bill, but that time we were a transitional Parliament. We were losing certain months. We came into office in March 2013 and were told that we were exiting in August 2017. Now we are no longer a transitional Parliament. We were elected in August and we will go home in August. Some of us, including Hon. Kaluma, I and many others were not convinced. So, Hon. Wamalwa, among the 187 Members, you need to count how many were “Noes” and then you will know your share. The 187 is not yours. There are a number of us who were ready to say “No”. You have tried. It is good. I am not intimidating anybody, but other Members can try. Let us lobby more.

Hon. Wamalwa did not seize the chance. He should have used the Standing Orders to ask for another opportunity within the next four sittings. I expected him to rise on a point of order and use the Standing Orders to request that the Question be deferred to next week. I thank him. He has engaged the House. You have helped Members to see that it is not about singing and being a choirmaster. It is about voting electronically or physically.

Hon. Speaker: I can see Hon. Chris Wamalwa wants to speak, but before you speak, let me allow the Leader of the Minority Party to say a few words.

Hon. Members, it is also fair that we know the particular fora to engage Members on. It is not on television stations. It is in this House. Television station appearances seem to mislead.

Let us have Hon. John Mbadi.

Hon. John Mbadi (Suba South, ODM): Thank you, Hon. Speaker. Allow me to thank Hon. Chris Wamalwa for tabling this constitutional amendment Bill. It is not very easy. Those of us who have been here for a while know it is not easy to even table a Bill and have it debated in this House. Many Members have been here for three terms and have not even managed to introduce one Bill in the National Assembly. Hon. Wamalwa has tried even though he did not manage to get the numbers. As the Leader of the Majority Party rightly put it, many of us, including myself, were going to vote against his Bill, not because I do not like him, but because I did not agree with the spirit of that constitutional amendment.

However, I want to quickly come to the defence of the female Members of Parliament who are wearing white ribbons. As a matter of fact, I was given a white ribbon. I left it in my

office because I did not want to come with it to Parliament, but I can walk anywhere with it. I believe in the spirit in which they are fighting and the agenda they are fighting for. They are not fighting, but trying to help this country realise the constitutional requirement as per Article 181 of our Constitution that we have proper representation in terms of gender in both Houses of Parliament and other elective positions.

So, there is really nothing wrong that our lady colleagues have done. I disagree with the Leader of the Majority Party because what he said might set up our male colleagues against our female colleagues. What has happened has happened. As a House, we need to move forward. Today, you have clarified a number of issues. When the Division Bell is still ringing, Members are allowed to walk out. I am reacting to some of the concerns that were raised by Members, that when we walked out, we violated the Standing Orders of this House. That is not the case. In fact, one way of voting against the requirement of the threshold is to walk out so that you can fast-track the voting. I remember in the 10th Parliament about eight of us - we were with Hon. Charles Kilonzo who is back in Parliament, Hon. Ethuro, the former Speaker of the Senate, Hon. Martha Karua and Hon. Duale - kept walking out when it came to voting. We would participate in the debate because we wanted to be seen to be talking and doing so passionately about an amendment, but when it came to voting, we kept walking out until the current Deputy President, then a Member of Parliament, asked that we be given chairs outside. So, walking out is part of the voting process.

It is my feeling that what happened, happened. Going forward, we need to encourage debate so that even if you do not agree with what your colleague is saying, it is important to listen. We beseech you, Hon. Speaker, and you have done it and continue to do it, give us opportunity to express ourselves, both those who are for and those who are against. It is wrong if one does not agree with a position to start heckling and shouting. We lost an opportunity. Most of us have watched debates elsewhere in the world when it comes to a budgetary matter, like we are going to debate the Supplementary Estimates in a short while, and we owe it to this country to express ourselves properly. Kenyans may agree or disagree with us, but we should be allowed to put forth our positions and explain why we are supporting the Supplementary Estimates or not. The Finance Bill is a major Bill because it deals with tax issues, which are very emotive. We need to allow Members to ventilate so that in future, someone can go through our HANSARD and see what Hon. Duale, Hon. Angwenyi or Hon. Mbadi said.

In the spirit of reconciliation and carrying the House together, in future, let us allow each other to make our contributions.

Thank you, Hon. Speaker.

Hon. Speaker: Absolutely. Hon. Members, I do not think we need to debate this. I will give the Member for Kikuyu two minutes.

Hon. Kimani Ichung'wah (Kikuyu, JP): Thank you, Hon. Speaker. I wanted to contribute before you give a chance to Hon. Chris Wamalwa. I want to persuade him, in case, he wants to ask for more time. I was also among the 187 Members, but one who was not in agreement with this amendment. I would have voted against it. This is principally because of Article 255 of the Constitution in terms of issues that may require a referendum. Should we, for instance, need to extend the term of the President, the Constitution stipulates that the election of the President will be on the same day with the election of Members of Parliament. In a way, we would be extending the term of Parliament and that of the President. Therefore, it may have required a referendum. We need to engage in debate to ascertain whether such an amendment is necessary at this time.

In relation to what the Leader of the Majority Party has said, the 11th Parliament was transitional, but the 12th Parliament has its full five-year term. The fact that it is also stated that we cannot be beneficiaries of any amendment, be it of law or of the Constitution, it was going to put us in a very awkward situation. We would have been the first beneficiaries of such an amendment were it to pass since we would have extended our term in office by a few months. Therefore, we would become direct beneficiaries in terms of allowances and salaries that we would draw for the months beyond the current five-year term. As Hon. Chris Wamalwa gets an opportunity to speak, I want to persuade him that there are other ways of looking at this thing.

Lastly, I believe the drafters of the Constitution had a lot of wisdom that informed the selection of the date in August. We have held just one election in August 2017. Let us allow the Constitution to be further implemented and be domesticated for another 10 or 15 years. Let us hold another two or three elections then we can see which date between August and December is better. I still firmly believe that August is a far much better month. The drafters of the Constitution had a lot of wisdom that informed the selection of August rather than December.

With those remarks, I beg to persuade Hon. Chris Wamalwa, as you give him an opportunity to speak to, please, not request us to get into this business again in the next five days, but drop this matter and consider other things in the future. I also thank him for bringing the Bill.

Hon. Speaker: Hon. Members, I like paying attention to what you say. You are actually re-opening debate. That should have happened during the Second Reading. You cannot say ‘no’ all the time when a Member is talking about the difference between August and December, which was part of the debate. I listened to the debate in the Second Reading. Some Members who were opposed argued that they were contented with August and those who were supporting were happy with December. That was debate in Second Reading. The Bill having failed, there should be references to those arguments.

Indeed, as Hon. Ichung’wah said, amending the Constitution in such a way that would benefit Members of Parliament would be going against the provisions of Article 116 of the Constitution. That is a matter that should have featured during debate in Second Reading. For now, there is no Motion. In Kiswahili, they call it *mazungumzo badala ya habari*.

Hon. Members: *Baada ya habari!*

Hon. Speaker: *Badala.* We should be conducting business. We are flogging a horse which is not only dead, but also buried. Even for Hon. Chris Wamalwa, it is out of sympathy that I want to allow him two minutes to say one or two things. We have nothing to discuss about this matter. It is only fair that I give Hon. Wamalwa two minutes for having made effort to bring the Bill to the House, to say something. We should encourage him to continue doing this in the House. It is not in vain. It is important.

Hon. (Dr.) Chris Wamalwa (Kimini, FORD-K): Thank you, Hon. Speaker. I thank you for the leadership you have provided. Let me quote Martin Luther King Jr. He said that the ultimate measure of a leader is in decision-making, decision-making not in times of comfort and convenience, but in times of difficulty and challenge, like when this Bill has been on the Floor of the House.

We are required to legislate, as Members of Parliament. That is our core business irrespective of the parties that sponsored us. I brought this Bill as a private Member. Whatever we have done today is a demonstration that to raise a two-thirds majority is not an easy task. I have not been sleeping. I have worked extra hard to raise 187 Members. I thank the Members who showed up today. It is not an easy task. Such Bills involve a lot of research. I have done a

lot of research. In the Second Reading, when I replied, I had to make a comparative analysis of other jurisdictions.

I am an active Member when it comes to legislation. This is not the end of everything. It is high time we revisited the two-thirds majority rule because it seems it is impossible to raise the numbers. There are times when such Bills have come to the Floor of the House. We should not discourage our lady colleagues here because the two-thirds gender Bill is supposed to be re-introduced in the House. Maybe it is high time we revisited the Constitution and instead of the two-thirds majority, see how we can reduce it. It is practically impossible to raise a two-thirds majority. When I saw the numbers today, I thought we had made it, but when we logged in with the cards, I knew we would not raise the requisite number. It is also a lesson for the Temporary Deputy Speakers next time when they are on the Floor. First, they must be able to ascertain numbers before the Division. It is also a learning process. I am a proud man because of what I have achieved today. Today, even the great people of Kiminini know the kind of person who came to this Parliament is fit to become a governor in 2022.

(Laughter)

I thank the honourable Members and encourage them to try and bring a Bill. To bring a Bill up to this level is not easy. I have been waiting but I am happy there are more Bills to come. I have no interest of saying that we must revisit this. Next time, another person will bring it. We will look at this Constitution; see what is good and what is bad. Whatever is bad, maybe, we will be able to rectify through a parliamentary initiative. Whatever is bad that is in line with Article 255, we must go to a referendum. I know Kenyans want to see which section of this Constitution is not in line with emerging situations so that we are able to correct accordingly.

I thank every honourable Member. I have no doubt, Majority Leader, that if we were to vote, I was going to get 95 per cent of those who were present today. Thank you very much and God bless you.

Hon. Speaker: I had to allow Hon. Wamalwa to appreciate those who turned up. He has said something very interesting again, that you need to revisit the requirement for two-thirds which would be another two-thirds. If it were to go through the House again, it would require another two-thirds. Remember even to change any of the provisions in the Bill of Rights requires two-thirds. Hon. Wamalwa would be suggesting that we revisit so that you require a lesser threshold to tamper with the Bill of Rights. You can hear from the Member for Suba North saying if you reduce the requirement for two-thirds, it means that even the Bill of Rights can be tampered with. Even to discuss about the territory of Kenya or the term of President require two-thirds. So, it is good for the public to know. Hon. Wamalwa, I congratulate you for this effort. You did well.

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

Hon. Speaker: Member for Suba North, one minute.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Thank you, Hon. Speaker, for indulging me. I am talking about something different arising from the vote. I was in a funeral service so I have come late. I am not a person to shy away from anything - any vote of any nature. Hon. Wamalwa called me earlier. I was vehemently opposing him yesterday. When he called me earlier, he almost persuaded me. So, I was coming to see which way because I am fairly ambivalent about the date. I do not care whether people vote in December or August. This is not one of those things that I am very passionate about.

Having said that and I cannot shy away, it is regrettable that an honourable Member, the age of my grandfather, threatens to beat me because I am not in the House. Hon. Moroto is threatening to beat me outside as I am getting in because I am not in the House. Out of respect for him, because he is the age of my grandfather, I cannot fight with him. I want to tell Hon. Moroto this: I really respect you and even if I do not respect you, I respect your age. I cannot fight with you because of that. Otherwise, I do not fear. I can take the bull by the horns but he is the age of my grandfather. I cannot fight with him.

Hon. Speaker: I hope, Hon. Millie, that it is not a complaint to go to the Powers and Privileges Committee. If it is, then we will expect that you lodge it properly. But if you are saying it in jest, I can see you are sitting not too far away from each other, I will allow you to continue with jokes as the House proceeds with the rest of the business.

Next Order!

BILL

Second Reading

THE SUPPLEMENTARY APPROPRIATION (No.2) BILL

(Hon. Samuel Moroto spoke off record)

Hon. Speaker: What is the issue, Hon. Moroto? If it is a genuine complaint, then it be forwarded to the relevant committee which is the Powers and Privileges Committee. Hon. Ichung'wah, proceed.

Hon. Kimani Ichung'wah (Kikuyu, JP): Thank you, Hon. Speaker.

(Hon. Samuel Moroto spoke off record)

Hon. Speaker: Hon. Moroto, do you want to say something? Since you have been mentioned, just say what you want to say. One minute.

Hon. Samuel Moroto (Kapenguria, JP): Hon. Speaker, I have been in this House for a long time. I know the procedures of this House. When we are competing, where there is "No" or "Yes", we always do it amicably. There is no threat that one can issue to me. This woman here is becoming mad in this House. You cannot play with me! Play with others not me!

(Laughter)

Hon. Speaker: Hon. Moroto...

(Loud consultations)

Order, hon. Members! Hon. Members, that is very impolite. The gracious lady, Hon. Member for Suba North is not just "this woman". Hon. Moroto, please. Hon. Moroto, I thought you said you have many years of experience.

(Hon. Samuel Moroto spoke off record)

Hon. Moroto, you do not have to be agitated. Give him the microphone.

Hon. Samuel Moroto (Kapenguria, JP): Hon. Speaker, here I am. She referred to me as her grandfather. I am referring to her as a woman. So, both of us should come together.

(Laughter)

If need be, in fact, I am the best husband to her, not a grandfather.

Hon. Speaker: Hon. Members, it looks like the Member for Kapenguria and the Member for Suba North are quite friendly, apparently.

Hon. Kimani Ichung'wah (Kikuyu, JP): They are friends.

Hon. Speaker: They are friends. Very well! There are other Members who are trying to claim they want to rise on a point of order...

(Hon. (Ms.) Odhiambo-Mabona spoke off record)

Let us proceed with the business now. That was a brief period of mirth. Let us proceed with business. This is not business.

Hon. Kimani Ichung'wah (Kikuyu, JP): Thank you, Hon. Speaker. Indeed, I can confirm that Hon. Millie Odhiambo and the Hon. Member for Kapenguria, Hon. Moroto, are very good friends. They are both active members of the Budget and Appropriations Committee. They are very good friends. Nobody should misconstrue what the gracious lady and the good gentleman, that is the Member for Kapenguria, are saying. It was a good session. Hon. Speaker, the Supplementary Estimates for the 2018/2019 Financial Year have been prepared at a time when the Government is experiencing significant fiscal pressures on account of...

(Hon. (Ms.) Odhiambo-Mabona consulted with Hon. Samuel Moroto)

Hon. Speaker: Hon. Millie Akoth, allow business to proceed. You could go to the corner up there and speak in low tones. I am sure you can talk to the Member for Kapenguria in low tones.

Hon. Kimani Ichung'wah (Kikuyu, JP): Hon. Speaker, I beg to move that the Supplementary Appropriation Bill (No.2) Bill (National Assembly Bill No. 23 of 2018), be now read a Second Time.

The Supplementary Estimates for 2018/2019 have been prepared at a time when Government is experiencing significant fiscal pressures on account of huge budget deficits, expenditures and projected revenue shortfall. The approved Estimates for the Financial Year 2018/2019 were estimated at Kshs1.698 trillion for national Government, Kshs372.74 billion for county governments and Kshs962.56 billion for the Consolidated Fund Services. This was to be financed through domestic tax amounting to Kshs1.923 trillion, and grants amounting to Kshs47.037 billion. The fiscal deficit for this financial year is projected at Kshs562.75 billion which will be financed through both domestic and foreign borrowing. At this juncture, it is good to reiterate what the Leader of the Minority Party has just said. It is very important that when Members are speaking in this House to afford each one of us an opportunity to be heard. When you listen, you will get to understand some of the issues at hand.

As the Leader of the Minority Party has said, we missed a very good opportunity not only to be heard by our constituents for those who were opposing the Finance Bill, but also for those of us who were in support to be heard as to why we were in support. Given the budget deficit of Kshs562 billion that is to be financed from both domestic and foreign borrowing, failure to pass that Finance Bill would have had very big ramifications on making this deficit move upwards to the tune of about Kshs700 billion. That would have meant that we borrow more, either from the domestic market to the detriment of our small and medium size enterprises who are struggling to access credit from the domestic market, or to go out and borrow from the foreign market at a time when every person is complaining of a huge debt burden. Therefore, it is good and only right that we allow each other an opportunity to be heard and listened to and make our case and vote as we did this afternoon. I wish we had that opportunity during the Finance Bill debate for those who wanted to negate the Memorandum from the President.

On account of the expected revenue shortfalls amidst expenditure pressures, the Supplementary Budget proposes a reduction in the total budget estimates of Kshs55.1 billion of which Kshs11.724 billion is from the Recurrent Expenditure and Kshs34.27 billion is from the Development Expenditure. Under the new changes, the recurrent budget constitutes 62.27 per cent of the ministerial expenditure and development budget comprises 37.72 per cent of ministerial expenditure. It is good to note that the National Treasury has endeavoured to, at least, maintain well above the 30 per cent threshold on Development Expenditure. It is also important to note that in the first quarter - we are now into almost the first half of the second quarter - many MDAs of Government were yet to receive their Development Expenditure. Therefore, the Exchequer releases that were very slow or absent in many of our MDAs affect how this 37.72 per cent of our Budget that is going to Development Expenditure will be expended throughout the year.

I call on the National Treasury to ensure that in this second half of this second quarter and moving on to the third and fourth quarter... Any Exchequer releases in the fourth quarter may not be very meaningful especially for Development Expenditure since people will not be able to procure and expend that money before the end of the year. The National Treasury should ensure that it expends with the Exchequer releases in this quarter and the next one to allow ministries and departments of Government to spend. It is not just about spending for the sake of it and development in the regions where this money is being targeted, but also to allow many of our businesspeople who are crying that there is no circulation of money in the country to access it. Government is the single largest spender of money and with it not being able to release funds, the economy is bound to suffer. So, I encourage the National Treasury to enhance their releases of the Exchequer.

The financing of the Supplementary Budget comprises expenditure cuts in various votes and programmes in light of the projected lower revenue occasioned by the changes in the Finance Act 2018 that I just referred to, which was approved by the National Assembly a few weeks ago and the full revenue impact of the Memorandum of the President on the Finance Bill of 2018. The Committee will be making some amendments to the Bill in view of the reorganisation of functions of Government.

In June 2018, an Executive Order was released which made changes to the organisational structure of the Government. This was anchored on the Public Finance Management National Government Regulation 57 which gives a window for the national Government to make policy changes in a financial year that may lead to creation of an additional ministry or State departments in national Government entities.

In addition, the law also provides for transferring of certain functions or services of an existing ministry, State department or agencies to another existing ministry, state agency or department.

Further, Regulation 57(5) provides that the Supplementary Appropriation Act shall provide the details of the affected votes and the National Treasury shall inform the affected accounting officers of the date they shall effect accounting entries in their books and the necessary inter-vote adjustments.

Hon. Temporary Deputy Speaker, in the process of considering the Supplementary Appropriation Bill No. 2 of 2018, the National Treasury submitted further changes that have taken into account the revised Executive Order of June 2018 which resulted in reorganisation of Government functions. The changes in the structure of Government have affected the following votes, which are shown in Annex 1 of the Report that we tabled this morning:

- (a) The State Department for Housing and Urban Development;
- (b) The State Department for Public Works;
- (c) The State Department for Tourism;
- (d) The State Department for Wildlife;
- (e) The State Department for Public Service, and;
- (f) The State Department for Youth.

It is important to note that the proposed amendments will not in any way alter the overall budget contained in the supply resolutions and subsequently, the Supplementary Appropriation Bill No. 2 of 2018. The changes entail splitting of the affected votes and transfer of functions and unspent resources. The net effect remains as earlier proposed in the Supplementary Appropriation Bill with an overall budget deficit of Kshs37,603,662,418 of which, Kshs9,063,228,418 was for Recurrent Expenditure and Kshs28,540,434,000 for the Development Expenditure.

Pursuant to Article 118 of the Constitution and Standing Order No. 127(3), the Budget and Appropriations Committee sought public participation by seeking views through a newspaper advertisement. In addition, key stakeholders such as the National Treasury, the Council of Governors (CoG), the Controller of Budget and the Commission on Revenue Allocation (CRA) were involved.

The Report that we tabled this morning has detailed to a great extent, our deliberations with the stakeholders we invited. It is important to note that despite the advertisement by the Office of the Clerk of the National Assembly, no single memoranda, written or otherwise, came to the Office of the Clerk or was forwarded to us in the Budget and Appropriations Committee. There are those who are fond of rushing to court on account of public participation and it is within their right to do so, but this is an opportune moment to let them know that when those advertisements are put out, it is an opportunity for them to come and appear before the Committee and express themselves. Therefore, the most important thing to note is that not a single memorandum was submitted and therefore, to a great extent, it is to mean that, indeed, members of the public were happy with the Supplementary Appropriation Bill.

The stakeholders that we invited in the two meetings that we held include the National Treasury, the Council of Governors (CoG), the Commission on Revenue Allocation (CRA) and the Controller of Budget. We have considered their views appropriately in our Report.

I do not want to say much and with that, I beg to move that we proceed with the Second Reading and request my very able Vice-Chair who has just returned from Bali, Indonesia and

experienced an earthquake while attending the meetings of the World Bank and International Monetary Fund, to second now that he was lucky to survive the earthquake.

Hon. Speaker: Hon. Lessonet.

Hon. Moses Lessonet (Eldama Ravine, JP): Hon. Speaker, I want to thank you for giving me this opportunity to second the Supplementary Appropriation Bill. This Bill is in cognisance of the fact that after we passed the Budget in June, our Government realised that it is not able to raise all the revenues required - including borrowings - to finance that Budget. You know the question of Budget is a matter of this House. It is written by this House and it is proposed by the Budget and Appropriations Committee which we lead. Most of the time, there is disconnect between the expenditure side which we pass in June and the revenue raising measures. We remember what went on about a month ago in terms of the proposed revenue measures by the Government. It is the reason that we are here today, to reduce our expenditure by Kshs55 billion so that the revenue the Government raises will be able to meet such expenditure.

You will also note that it is the policy of Government and other multilateral agencies which we deal with, that our borrowing or the fiscal deficit should not exceed 5.6 per cent. When we passed the Budget in June, the fiscal deficit was huge, close to 7 per cent. This was not going to auger well for this nation. To justify the reason we are cutting expenditure by Kshs55 billion, we are to maintain the fiscal deficit at 5.7 per cent. Even with the deficit, in real terms, you will realise that Government is going to borrow to finance this particular expenditure this year, which amounts to a whopping Kshs569 billion. In fact, when we met as Budget and Appropriations Committee, it was a proposal by Treasury that they wanted to maintain the deficit at Kshs569 billion. But for us to come down to Kshs562 billion, it required us to reduce monies to NG-CDF, county governments and independent organs like the Judiciary. It is for that reason that we agreed, together with the Treasury, that we can maintain the deficit at Kshs569 billion so that we can give adequate resources to the institutions I have just mentioned. As we process and as we lobby Members to pass this Appropriation Bill, we would also want to make everyone understand the current situation. The county governments will be losing amounts from Kshs9 billion and we want them to understand that the Kshs55 billion reduction has affected all the departments of the Government, all independent commission and all the other arms of the Government. So, we will be requesting that even as we make a revision of the Division of Revenue Bill that our friends and colleagues in the Senate will agree with us, that we need to also reduce that amount to county government by Kshs9 billion. You will also note that we invited everybody to come before the Budget and Appropriations Committee. We even held a sitting yesterday hoping that the CoG, whom we had written to, would show but he did not. The CoG did not get time to come before us to defend their position. The absence of the CoG basically means that they agree with our position.

I beg Members to pass this Bill this week so that everyone can start to access money. At the moment, they are not able to access much of the allocations made to them because this Bill is before this House. The very popular fund which we succeeded in ensuring that it receives adequate resources will be able to receive its funding properly after we pass this Appropriation Bill.

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

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

Equally, the county governments are anxiously waiting for this House to process this Appropriation Bill. Of importance, the Budget and Appropriations Committee and Members of this House appreciate the role being played by the Judiciary in ensuring that we all adhere to the laws of this country. In the Supplementary Budget and through this Appropriation Bill, we have enhanced the funding to Judiciary by Kshs1.5 billion. The Judiciary, through the Chief Justice and his team, came before the Budget and Appropriations Committee and we agreed that it is true that the Judiciary needs more money and it is the only organ in the Appropriation Bill which realised a gain of a whole Kshs1.5 billion shillings so that they can dispense their services to Kenyans very fast and promptly.

We shall be calling the NG-CDF Board now that I know Members will be able to process this Appropriation Bill by tomorrow, that they promptly disburse funding to constituencies. I know how anxious Members are. We are in the Financial Year, 2018/2019 and your proposals have not been approved by the board. That is because of the uncertainty in terms of the amounts each constituency is supposed to get. Immediately this Bill is passed, the team at the National Treasury should send monies to the NG-CDF Board. This is the only fund which makes sense in this country. This is the only fund which delivers value for money. This is the only fund where the monies end up with *Wanjiku* or *mwananchi*. So, we will continue promoting this fund by making sure that it gets adequate allocation of funding and resources.

With those remarks, I want to beseech my colleagues that we contribute and pass this Bill. With that, I second. I thank you, Hon. Temporary Deputy Speaker.

(Question proposed)

Hon. Jimmy Angwenyi (Kitutu Chache North, JP): Put the Question.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): No, I cannot put the Question. Father of the House, that is not the mood of the House. Allow me to give a few Members an opportunity. I have 11 requests. I know it is an interesting Bill. The first is the Member for Kitui Central.

Hon. Makali Mulu (Kitui Central, WDM-K): Thank you, Hon. Temporary Deputy Speaker, for giving me this good opportunity to also support this Bill, which has been moved and seconded by my colleagues in the Budget and Appropriations Committee. I support the Bill as presented even though I will be making some observations.

As a House, we remember that around June, we went through the Committee of Supply and through it, we were able to supply what is going to be used in this financial year. But when the Finance Bill was presented to this House, we could not agree with some of the proposals by the Departmental Committee on Finance and National Planning. As a result, we were not able to fund our Budget fully. There was a shortfall of about Kshs55 billion which the Government had no choice but to make proposals on how to meet that deficit. As a result, a number of proposals have been put forward to us as a House and we have managed to bridge the gap of the national Government to about Kshs47 billion, leaving a deficit of about Kshs9 billion, which is the proposed reduction of the county governments allocations.

As it has been reported by my colleagues, we conducted public hearings as a result of which we picked one or two things which I need to mention. In our interaction with the Controller of Budget, one of the things she was clear about is that there is a huge budget which has been provided for printing of their reports which are normally sent to the National Assembly

and county assemblies. One of the things we have said as the Budget and Appropriations Committee is that it does not make sense in this era of technology to do 1,000 hard copies of a report to be shared among Kenyans because they can read those reports on the website of the Controller of Budget or any other source. So, one of the things we will be proposing as we move forward is that it is important that departments which have huge budgets for printing are advised to reduce the budgets.

The National Assembly can be given only about 60 copies and the county assemblies get 20 copies of these reports so that, at the end of the day, those reports are uploaded on all the websites. If you want to read the reports, you can do it on the website and if you want, you can even print from your computer. In this era of iPads, and you can see even this Chamber has iPads, it is easier for me to read that report on my iPad rather than a hard copy. That is an area in which we can save a lot of resources for this country.

The other important thing is the issue of reorganisation of Government through the Executive Order, which to some extent has created some independent departments. That has introduced what I would call new AIE holders; officers who now have authority to incur expenditure. So, there is a bit of reorganisation which is for the benefit of Kenyans. We wanted to make sure that service provision by the Government is more efficient. So, this is another area we support as the Budget and Appropriations Committee. It is important that, as we move forward, the National Treasury thinks of a way of ensuring that we have many more of this kind of arrangement so that people can access resources without a lot of bureaucracy in the system.

Now I want to go to the last point which I think is very important. This is to do with the reduction of money to the county governments. This House passed the Committee of Supply report which means we cannot change it. So, what I am going to say is for the future. As we move to the second Supplementary Estimates, what I am going to say needs to be considered. I just want to share some statistics.

Last year in December when we started the budget process, revenue projection was about Kshs1.7 trillion. Around February when we got the Budget Policy Statement (BPS), revenue projection was reduced to Kshs1.6 trillion. As a result of that reduction, there was negotiation on how much goes to the county governments. That is the time the figure of Kshs314 billion was agreed on at the Inter-governmental Budget and Economic Council. Come June, we revised the revenue projection upwards again to Kshs1.7 trillion. From that review, it is only the national Government which increased their figure. County governments figures were not affected; they still remained at Kshs314 billion. Come September, as a result of not approving the Finance Bill, revenue projection was reduced once again to Kshs1.6 trillion, which means the revenue projection which was used to allocate Kshs314 billion to the county governments is the same figure which we are now working with. So, in reality, we do not have a justification to reduce the money for county governments and, more so, the equitable share.

What am I saying? I am saying that if we were fair, and the law says it very clearly, where we fall short of revenue in terms of collection, it is the national Government that should take that shortfall so that we do not interfere with the money for county governments. Now we have reduced their allocation by Kshs9 billion. My appeal, as we move to the future and do the second Supplementary Estimates, it is important that the county governments are given back the Kshs9 billion. Why am I saying that? When you do the analysis, in the last financial year, the county governments were given Kshs302 billion. This financial year, once you remove the Kshs9 billion, they will be getting Kshs305 billion, an addition of only Kshs3 billion, translating to 1 per cent of the change of revenue which is about Kshs310 billion. This is an area where we

need to help the county governments so that the national Government does not take advantage of the arrangement and punish them.

The other thing is that when you look at the conditional grants which have been sent to the county governments by the national Government, they amount to a lot of money. My proposal would be, in a situation where we want to touch the county governments' allocation because the conditional grants are national Government allocations, they should then target the conditional grants for reduction. One of the areas being proposed is the leasing of medical equipment.

We moved the figure from Kshs4.5 billion to Kshs9.4 billion, an addition of almost Kshs5 billion. So, if we wanted to help the counties, these are some of the areas we could target. We also provided additional money for construction of cancer centres and other activities like water so that when it comes to reducing the county government's allocation, it will not be fair to touch on the equitable share because in terms of the Constitution and all the arrangements taking place, it is not an area we would want to go to.

That is an area I would want to say that even though we have passed the Committee of Supply Report, meaning that we cannot do much, as we move to the second Supplementary Estimates, this is an area we need to look into so that the county governments do not suffer as a result of the reductions that have been done across the board.

We do not have that room now because I have agreed with my colleagues, but the easiest way would have been to reduce the national Government allocations and retain the county governments allocation of Kshs314 billion. I am sure that if the governors came to us, that is what we would have pushed for. That is what the Commission on Revenue Allocation has pushed for. We need to support them when the second Supplementary Estimates come to this House.

With those remarks, I support.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Makali, I almost gave you more minutes because your discussion is based on informative points on matters statistics. Other Members should also discuss this matter from an informed point of view. Hon. Makali is a Member of the Committee chaired by Hon. Ichung'wah – the economist in the House. So, I give the Floor to the father of the House, who has seen so many Supplementary Budgets, the Member for Kitutu Chache North.

Hon. Jimmy Angwenyi (Kitutu Chache North, JP): Thank you, Hon. Temporary Deputy Speaker for giving me this chance to contribute to this important Bill. The Budget for this nation is dependent on how we can raise revenue. We cannot spend money which we do not have. Like the Chairman has said, our foreign indebtedness has gone so high that we may end up enslaving this country.

I would not want to participate in enslaving my own country. I hope the Budget and Appropriations Committee has gone through all the programmes that were intended to be undertaken by both the national Government and the county governments. Where there have been some unnecessary disadvantages in certain constituencies and counties, they should address that issue to make every part of this country feel at home.

I have an issue with the allocations given to the Ministry of Transport, Infrastructure, Housing and Urban Development, especially on roads. I have looked at the original Budget. There were a number of roads which had been given money the previous two financial years, but this year the money has been removed. They could not even leave one pound or shilling to make that item remain active. I hope the Committee looks at that so that it activates those item lines

that were active in the previous two years so that they continue being active as we resource the projects being undertaken.

My colleague there spoke about counties. The counties are required to be given not less than 15 per cent, just like the National Government Constituencies Development Fund is not supposed to be given less than 2.5 per cent of the national Budget.

However, from my calculation, the counties have been given 23 per cent. That is 8 per cent above the minimum requirement as per the Constitution. If the NG-CDF allocation had been reduced, I would have been concerned because the NG-CDF is the only fund that goes up to *Wanjiku* and *Anyango* at the grassroots level, which is beyond what the counties do.

I believe this Parliament may have to come up with some legislation to demand that the revenues that are raised by county governments should be accounted for, and that whatever shall be allocated from the national Government over and above 15 per cent should be pegged to how that county has mobilised resources from within and how the resources have been applied. This is because most counties have been allocated funds in the last five years but you cannot see what has been developed.

Where I come from, we have water problems. We have plenty of water but it is highly polluted. It is causing a lot of water borne diseases. The county government has been receiving so much money but you cannot see any successful water projects to address the issue of water borne diseases. Health is given a lot of money and yet, our people in most counties cannot get effective health services. So, our people continue to suffer. Those who fall ill suffer and end up in private hospitals. Take for example, Kisii County, where I come from. We have only one referral hospital. There is no other major hospital in the county. That hospital serves about two million people and yet, the money is being disbursed to the county. Instead of establishing effective facilities in nearly every sub-county or two sub-counties so that they can handle the health of our people, nothing is being done. That is happening in the entire country. Even in Mombasa or Nyanza where my friend, Hon. (Dr.) Nyikal, comes from, he can tell you that he is a medical doctor. They are now over-burdening Oginga Odinga Referral Hospital because nothing has been developed in that county.

This is a Parliament of people's representatives. We should look at those issues. Let us not argue for the sake of glorifying counties. We shall do that if they deliver the services that they are required to deliver, and the Government shall be glorified if it does a good job for all the Kenyans who deserve that service.

With those few remarks, I beg to support.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Very well spoken. Let us hear the Member for Siaya County, Hon. Ombaka

Hon (Dr.) Christine Ombaka (Siaya CWR, ODM): Thank you, Hon. Temporary Deputy Speaker. I really did not prepare to contribute to this one. I think I must have been waiting for another one but still my contribution here would be that we go by the recommendations that have been put forward, and we use the money wisely.

Thank you.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Let us have the Member for Kajiado North, Hon. Manje.

Hon. Joseph Manje (Kajiado North, JP): Thank you, Hon. Temporary Deputy Speaker for giving me a chance to support this Bill.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Order! There is a gracious and beautiful lady who has just walked in. She is the late Kamaru's MP. I am happy she knows the procedure. Carry on.

Hon. Joseph Manje (Kajiado North, JP): Thank you, Hon. Temporary Deputy Speaker, for giving me a chance to contribute to the Supplementary Appropriation Bill which, sometimes, is inevitable because of emergencies. When we have many supplementary budgets, it means our budgeting system has a problem.

We need to have a fixed budget master plan which is progressive. When we have a supplementary budget at the beginning of the financial year, it means there is a big problem which needs to be urgently addressed. Over time, I have seen the way we allocate this money. That is why revenue is collected from Kenyans so we can have money to spend. If we continue allocating money to the wrong areas, our country will drag behind and we will not develop as fast as we want.

We know our country is agricultural-based. We should appropriate and spend more in the agricultural areas so that we can grow the economy. We collect revenue and then give it to counties without checking the production part of it. Unless we do that, at the end of the day, we will get to a standstill. This is because if we keep funding sections and fail to collect a similar amount of revenue back, most likely we will get to a dead end. As we give monies to counties, we should also encourage them to become productive and collect more resources because failure to do this will lead to a standstill.

We cannot rely on borrowed money to finance our recurrent budget, the way we have currently been doing. If this continues, at the end of the day, we will not grow. We should borrow money to develop this country. Otherwise, we will grind to a halt. Another issue is corruption which people have talked about over and over again. We have seen many people taken to court. When Kenyans are taxed more and have the concept that money is being stolen then, we are not helping but making them more frustrated at the end of the day. Therefore, we have to do something about this. It is good that corruption is being fought but, we have to create confidence in Kenyans that their money is not going in the wrong direction.

We also have to check the ineptness of our systems. For example, currently, if you go to the Port of Mombasa, you will find many containers which have not been cleared. Meanwhile, the businessmen are crying every day because of this. The Kenya Revenue Authority (KRA) and Kenya Bureau of Standards (KEBS) have locked the ships at the port, meaning cargo is not entering the country. I was talking to a farmer in my constituency who has employed many people in his flower farm. He told me that for the last three months, he does not have fertiliser. He is at a standstill because his containers are lying at the Port because of the inept systems in this country.

Therefore, we have to do something when it comes to collection of revenue. I also think we should have a budget that is development-based. It should have a master plan to grow this country and should not be based on impulse decisions. Some of us do not understand how, for example, the Judiciary was given back Kshs1.5 billion. This means that somebody had removed that money because it was not based on anything. Therefore, we must ensure we fund the systems based on concrete well researched development plans. That way, we can realise development in this country.

There is another issue which I think the Budget and Appropriations Committee and the National Treasury needs to address - that counties should be given money on a fixed term. They should be aware when they will receive it. If you go to a country like South Africa, they have set

a fixed date. For example, at the end of June or on 1st September, they get the first allocation. Maybe, in January, they get the second allocation instead of being allocated monies when funds are available. They make their plans when they are given money. So, we should have something tangible. For example, the counties should know that on 1st January, they will be allocated a certain amount so that they can plan.

Otherwise, the counties are unable to operate because they are relying on the national Government to give them money. Therefore, we have to become serious on how we give counties money. That is why people tend to feel they are a burden to Kenyans. The issue is that we have not catered for collection of revenue at the county level. Therefore, we should change the tune. The governors should collect revenue to fund their systems. They are usually told that they will be given money and if that is not realised at one time, they will rock the boat.

I think this is where we are headed. That is why, sometimes, we are unable to finance the national debt and have capital expenditure. At the moment, everything is at a standstill and the businessmen are being auctioned. If you read the newspapers, you will see many Kenyans being auctioned and yet, they did business with the county or national Government. They have not paid and if you check their banks records, their vehicles and trucks are being auctioned. We have to do something for this country through the budget. We have to take this money where it is required so that our country can grow.

Every time people say in 1978, Kenya was at par with the East side and the dollar was almost equivalent to the Kenya Shilling. However, we were left behind. During that time, we took money to the agricultural area. Everybody leaving school was being employed in the farms. Our farming sector was doing very well. Coffee, tea, pyrethrum and cotton were doing very well because we took money where it belonged. Today, we give money to irrelevant issues and keep complaining about unemployment in Kenya.

With those few remarks, I support this Bill.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Members, I can see a Member of PAC and we know very well how important they are in examining the use of resources by counties. Let us have Hon. Ndindi Nyoro, the Member for Kiharu.

Hon. Ndindi Nyoro (Kiharu, JP): Thank you, Hon. Temporary Deputy Speaker. Yes, I am from that great constituency.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): You will tell us about the most recent audited accounts during the PAC presentation to the House.

Hon. Ndindi Nyoro (Kiharu, JP): Hon. Temporary Deputy Speaker, I agree. I am from the great constituency of Kiharu and the county that gives the entire Nairobi and Kiambu water. I rise to support.

Hon Kimani Ichung'wah (Kikuyu, JP): On a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): You have started from a note which has made Members raise interventions.

Hon. Ndindi Nyoro (Kiharu, JP): I am being rudely interrupted. I hope I will be given those minutes back.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Ichung'wah, I know you are the Chair of Budget and Appropriations Committee and the Member was just introducing himself. You are on an intervention. Let us hear what the Member for Kikuyu has to say.

Hon Kimani Ichung'wah (Kikuyu, JP): On a point of order, Hon. Temporary Deputy Speaker, my point is about relevance.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Ndindi Nyoro, when the other Member is upstanding and making his contribution, you are supposed to resume your seat.

Hon. Kimani Ichung'wah (Kikuyu, JP): Thank you, Hon. Temporary Deputy Speaker. You know Hon. Ndindi Nyoro, besides being a very good legislator from Kiharu, he is still new in the House. Maybe he has not learnt issues to do with relevance and the debate is on the Supplementary Appropriation Bill. What took me off is him referring to my county of Kiambu as a consumer of water from Murang'a. I can state categorically that, indeed, Ruiru II Dam that is in Kiambu County is supplying water to Nairobi. The entire Muthaiga, parts of Westlands and Lower Kabete are consuming water from Kikuyu Springs in Kikuyu Constituency in Kiambu County. Therefore, we do not get even a single drop of water from Murang'a, where politics of water is the order of the day.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): You were also very relevant to the debate in the House. Member for Kiharu, let us try to be relevant. We know some of the procedures and rules as per our own Standing Orders. Let us be relevant. We are debating a very important Bill.

Hon. Ndindi Nyoro (Kiharu, JP): Thank you, Hon. Temporary Deputy Speaker. I stand guided and I rise to support the Supplementary Appropriation Bill. From the outset, I have to say that fiscal planning is actually one of the hardest things to do because you are dealing with limited resources. But you have to appropriate them with needs that are actually unlimited. Therefore, it is always a matter of priority. What do I fund and when? What cannot wait and what has to be done now?

I have to say in this House that whereas I applaud the work that is being done by the people who are charged to do the monetary policy in this country, I have a lot of reservations with the people we have entrusted to do fiscal policies in this country. I say so because if you look at the monetary landscape in this country, you talk about inflation and the exchange rate. We are in a very stable atmosphere, but it has to be noted that it is not the work of the Central Bank of Kenya (CBK) or the CBK Governor or the monetary committee to actually grow the economy. They are doing their work very well. They are doing a splendid job but when we come to the other side that should actually be stimulating the growth of the economy by having good fiscal planning, I have to say I have a lot of reservations. This could be the reason why, in our country, we have so much we are doing infrastructure-wise. We have billions being spent but the truth of the matter is that even some of us seated here are businesspeople and our pockets, just like the pockets of so many other businesspeople in this country, are empty. That shows that there are gaps when it comes to Treasury and planning and advising the Government in the matters of fiscal policy.

Let me go to the Report. I have gone through the entire budget and even beyond the Supplementary Budget and it is now common knowledge in Kenya that we are borrowing so much. By the way, I have no problem with borrowing because some of the biggest economies in the world borrow. Even the United States of America (USA), its debt to GDP ratio is around 107 per cent, which is much higher than ours which is around 57 per cent. Japan has a debt to GDP ratio of over 240 per cent. Even the United Kingdom (UK), Russia and most other countries are beyond us in so far as debt to GDP is concerned. The departure point between those economies and ours is: Number one, it is about cost. Japan is at about 240 but at what cost? They have over-borrowed compared to Kenya, but at what cost? The rate in Japan is barely above 0 per cent. If you compare the CBR in the USA, even after having been raised five times in the Trump

administration alone, it is around 2.5 per cent compared to ours which is around 9 per cent. Therefore, the issue of cost of borrowing is one that we need to keep checking on even when we borrow.

Number two is on the issue of borrowing and how we spend the money that we borrow. There is no way, as a country, you can borrow money and tabulate everything that we have. Actually, before I come to borrowing, let us go to the collection. The amount of money that the KRA collects is around Kshs1.5 trillion. If you give money to devolution and our salaries, only below Kshs100 billion is left for development. That means a lot of the money that we put into infrastructural and developmental issues is actually borrowed money. If you look at the 2012/2013 Financial Year, KRA was collecting around half of the money that we are collecting now. What I am trying to say is that even when it comes to spending Government money, there are gaps because around the same time when we were collecting around Kshs700 billion to Kshs800 billion in 2012/2013 Financial Year, our wage bill as a country was around Kshs270 billion. Currently, we are approaching Kshs400 billion without even adding the cost of maintaining those salaried officers in their offices.

One of the issues that I grapple with as a Member of Parliament is the national cake that we bake when we collect money especially through KRA. I was to make this point yesterday but time ran out. Some of the people who contribute most to baking this national cake – and I am speaking about the people in Nairobi County and the people around Nairobi County like my county, Murang'a, Kiambu, Nyeri, Kajiado and others – that have got high density population, sometimes we feel that the way that we apportion that national cake is unfair to us. This is because in this country, it is the people who vote. It is the people we represent here in this Parliament. We do not represent kilometres. However, when it comes to dividing this national cake, as a Member of Parliament for Kiharu in Murang'a County with over 500,000 registered voters comparative to a county like Migori that just had a by-election with 300,000 or so registered voters, they have eight constituencies, it is not fair. Our county of Murang'a, with close to over 50 per cent of that, has less constituencies. For example, when it comes to the NG-CDF, I get the same amount as a person who is representing 10,000 people. I do not think this is justice to the people who contribute to the baking of this national cake.

This House and this country have to adopt the issue of one man, one vote and one shilling. We do not vote in terms of kilometres neither do we even pay taxes on the basis of kilometres. Therefore, this issue of thinking that the people around Nairobi, and especially Murang'a, are well off and, therefore, we are not even considered for issues like the Equalisation Fund which is also expenditure from the same budget, I think we need to align that.

As I finish, I still keep thinking that, as a country, we actually have an answer on this issue of borrowing. I want to give it by way of an example. We are just about to build a highway from Nairobi to Mombasa at a cost of around Kshs300 billion. However, I keep thinking, and this is the common law, that you only borrow what you do not have and you borrow when you do not have. However, I think our country is so rich and we have so many other resources at our disposal that we do not actually go into borrowing. This is one of the examples.

There is a company called Safaricom which is one of the biggest companies in this country. Its biggest shareholders are actually the Government of Kenya and Vodacom. With a 35 per cent share, the Government of Kenya has a stake of close to Kshs300 billion. Why are we borrowing the same amount of money when we can privatise the Government's stake in Safaricom and fund infrastructural development without attracting interest due to borrowing? Others would argue why you would sell a company that is profitable. Corporate tax in Kenya is around 35 per cent.

Some of my minutes were stolen, Hon. Temporary Deputy Speaker. I need your intervention so that I can finish my point. Others may argue why you would sell Safaricom which is the most profitable company in Kenya. You sell your cow at its peak. With a corporate tax of over 30 per cent, the Government already has stakes in every company in this country because after...

(Hon. Ndindi Nyoro spoke off record)

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): You were the one who made him raise the intervention through your introduction. Just give him one minute.

Hon. Ndindi Nyoro (Kiharu, JP): All I am trying to say, Hon. Temporary Deputy Speaker - and I will try to talk very fast - is that those are some of the areas where we can fetch money without necessarily carrying a huge burden by borrowing money.

There is also the issue of duplication. Look at the current scenario on our roads. We have the Kenya Rural Roads Authority (KeRRA), the Kenya National Highways Authority (KeNHA), the Kenya Urban Roads Authority (KURA) and many other entities. Why can we not have one body, one Director-General (DG) and then devolve all the other officers to supervise what is going on *huko mashinani*? This duplication also exists in the water sector.

I can see my time is up. I support the Bill.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): The Floor goes to the Member for Bondo, Hon. Ogolla Ochanda.

Hon. Gideon Ochanda (Bondo, ODM): Thank you, Hon. Temporary Deputy Speaker. There are quite a bit of complaints around me. When I got here, Hon. Nyikal had not placed his card in the intervention slot. I am aware. I was ahead of him. He does not need to complain.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Can you just go to the debate? Leave the rest to me.

Hon. Gideon Ochanda (Bondo, ODM): He was trying to distract me. Hon. Temporary Deputy Speaker, I rise to support the Bill. First, this is based on the kind of procedures we have in that, before we do this, certain things will not happen. That is necessary for the country to move on. The other issue I want to raise is that of having the Supplementary Budget or appropriations too close to the main Budget. This is something that needs to be observed seriously.

One thing that the Chairman of the Budget and Appropriations Committee should have brought out is the kind of difficulties we are getting, particularly from the Departmental Committees. If the energies that the Departmental Committees put in in terms of issues regarding the Budget were enhanced, some of the things we are experiencing now would not exist. A good example is the issue of the money allocated to the Judiciary. When we came up with the main Budget and we cleared it out, the Judiciary was left with almost no money and yet, they had listed very many things that they were proposing to do. They did this with the Committee. The head of the Judiciary appeared before the Committee - and I thought that was a moment to behold because he came himself - to state that he is unable to move on. There was something that was not right. This is something that the Departmental Committee should have seen a little bit earlier.

That aside, the next important issue is that of the deficit. We are realising huge amounts of deficits in our Budget. When you try to connect this with the issues of borrowing, it shows that we have a big problem. We are conscripting the sectors, particularly the production sectors

which we need to target for purposes of generating revenue. Currently, looking at the domestic levels of borrowing, the cumulated debt stock on the domestic side is so huge to an extent that the main player is the Government. Other sectors of the economy are not playing in terms of borrowing from the local banks. The main borrower is the Government. If it goes on like this, either it will remain expensive on one hand or on the other hand, it will become so difficult for banks to lend to small businesspeople and small-scale farmers for purposes of production. The Government in itself does not produce. We are conscripting the real production sector. We are denying them the chance of getting money which they can use and which we can end up turning to for purposes of generating revenue. That is exactly why we have a big problem with the deficit. I have no problem with issues of off-shore borrowing. Many times, they are cheaper and long-term. When we borrow locally, there is a very big problem.

The other issue is borrowing for purposes of infrastructure in terms of schemes of building, operating and handing over. Some of them have changed from that policy to loans. I have not seen some of the infrastructural programmes or activities that were listed. Somebody is given work; they do it, operate the piece of infrastructure and generate their money. For example, on Thika Road, it is KeNHA doing the work. In the end, it is us who pay the money that they should have received from operating the work that they had done. There is a big problem there.

With regard to the issue that was raised by Jimmy Angwenyi, the Chair might have brought this out last week. Roads are taken care of in a certain way. With regard to the monies that were initially in the Budget and were removed, we were promised that the value of 22 per cent would be enhanced this time round. The idea that some of the roads lost money does not exist. Maybe, Hon. Chair, when you reply, you might want to state that properly.

When the National Treasury comes up with proposals, it is important that they subject themselves to the kind of legal requirements that are supposed to be in place. What saved the Kshs3 billion that was re-allocated to the NG-CDF, as some of the Members may not know, is that the value that was being proposed was lower than the 2.5 per cent. When we did some quick maths with the National Treasury, we realised that we are losing the Kshs3 billion. That is exactly how Kshs3 billion was re-instituted back into the NG-CDF. Currently, we have the legal basis that the NG-CDF must get the 2.5 per cent allocation. That is how Kshs3 billion was reinstated. In the process of trying to balance things, we cannot say that we lost Kshs3 billion. The whole idea is that Kshs3 billion was now available for other things that were needier and more demanding than where it was initially placed.

Lastly, there is the whole issue of how we allocate funds to the Big Four Agenda. There is a big problem. I tried to take it back to the Departmental Committees. Moving forward, our Departmental Committee needs to do much more than what we are seeing this time round. Real issues that are agendas of concern to the country end up with no money or with very little money and yet, they are the main centre of focus that is supposed to be regenerating our economy.

I support the Bill.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): I understand you are also a Member of the Committee. Hon. Members, you know the Supplementary Appropriation Bill has been initiated by the Budget and Appropriations Committee. Allow me to give an opportunity to the consumers or asset owners.

Let us have Hon. Wanyonyi Kevin, Member for Kwanza. He is not a member of the Committee. Let us hear from him.

Hon. Ferdinand Wanyonyi (Kwanza, FORD-K): Hon. Temporary Deputy Speaker, I want to make my remarks very seriously. I would like to ask the Chairman of the Budget and

Appropriations Committee to please bear with me. We are where we are today because of lack of fiscal discipline among the people who work in the National Treasury. That is where the problem is today. One, we have borrowed a lot more money than we need. A Kshs559 billion deficit is a lot of money.

Hon. Temporary Deputy Speaker, when the former President, His Excellency Mwai Kibaki left office, we had a deficit of Kshs70 billion that was borrowed from outside. The Chairman of Budget and Appropriations Committee can sit down with his team and reorganise the functions of the Government to pay that debt. Today, we are talking about Kshs6 trillion to Kshs7 trillion that is out there. I am at pains as a Kenyan. No wonder the Chairman of the Committee said that when they asked for memoranda from the public, nobody cared to come. That is what he said. Why? People are tired. They do not see where we are going. This is the second quarter of the year and yet, we already have a deficit of Kshs559 billion. No wonder when the Committee asked people to come and give their views before the Committee, nobody even bothered to come. I would not have done it because it would be useless.

Therefore, the people we have put in management should have fiscal discipline for the country to move forward. When the Chairman will be replying, I want him to tell us how far we have gone in recovering money from people who have stolen Kenyan money and stashed it out there. Many people have done it. What is the status today? I beg the Chairman, because he is the link between this august House and the National Treasury, to ask where that money is today. We have had cases of people being taken to court and that is it. The other day, I read in the newspapers that one Kenyan has so much money out there that can meet the deficit we are talking about. Let the Chairman, who is the link between us and them, tell us what is happening when he replies.

I want to support this Bill because I am also not able to do anything. I was at home last week and the projects we had started, including the headquarters of my sub-county, have stalled. It is a one floor building and it is not progressing because there is no money. I support the Bill because we must get the NG-CDF to pay for school fees for our children down there because most of them have been sent home. That is the only reason I am supporting the Bill. I would have opposed this Supplementary Appropriation Bill which is coming too early as somebody said. This is the middle of the second quarter and we are asking for money to meet the deficit.

As Parliament, let us reorganise some of the Government's functions. A Member mentioned that there is lot of duplication of roles. One way of saving and raising money, now that we are very good at borrowing, is to reorganise our Government agencies in a more meaningful way. We have KeNHA, KURA and KeRRA. They can be put under one roof. Each one of them has its own expenses. Let us try to reorganise the Government agencies to save on some of the money that is used in the duplication of roles. What is the difference between KURA and KeRRA? Do you have an answer? We have people duplicating roles. I do not know how many parastatals are in the Ministry of Agriculture doing the same thing. Therefore, as a House, we should look at the Government structures today, propose some of the changes and pass them here regardless of whether one is a Member of the Jubilee Party or FORD-K. I am a Member of the FORD-K Party.

A Member mentioned something and I agree with him that county governments have bought equipment. Why would they buy equipment? If you go to Trans Nzoia, where I come from and where I am the chairman of the elected leaders in Trans Nzoia - I am not small man - equipment is lying fallow. Surely, why can we not hire the equipment? That is wastage. On some

of the things that we have mentioned, we can recommend to raise money and save some of the money we are wasting on some of those things.

Last but not least, I want to be clear that, as a House, we should fast track, if there is no agency doing it, like the anti-corruption agencies, to get the guys out there. Today, I heard somebody from Kiambu, the former governor, requesting to be given the job and he said that he will be able to get the money back in two weeks.

(Hon. Kimani Ichung'wah spoke off record)

No, do not answer me because that is what he said. I know you do not want to listen to it. The best thing to do is to get back the money that has been taken out there by those thieves for whatever reason, to meet some of the deficit.

I support the Bill. My message is that we should reorganise Government agencies. It was said very well that let us move further and reorganise some of these agencies and save money. I support the Bill because I want the NG-CDF like yesterday not today. The NG-CDF is the only entity that people who live in ivory tower oppose because they do not go home. But those of us who go home, people tell me I am doing a good job because I use the NG-CDF. Let us pass this Supplementary Appropriation Bill which has come because we lack discipline. Let us pass it for the sake of getting the NG-CDF to have functions in the rural areas done.

I support because of the NG-CDF. Otherwise, I would have opposed it.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): I am sure the Chairman has listened to your serious contribution. For real today, you have seriously contributed. Thank you, Member. Of course, as you said, you are not a small person.

I have requests from Members who I understand want to catch my eye and have indicated they want to speak to Motion No.14 on the Order Paper. I do not know how I can differentiate them from the rest. I will go to the same requests. If you want to speak to Motion No.14, you can press the intervention button so that we distinguish you from the Members who want to contribute to this Bill.

Hon. Kathuri Murungi (South Imenti, Independent): On a on a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Before I give a chance to Hon. Kathuri, allow me to give a chance to... Are you on intervention, Member for South Imenti?

Hon. Kathuri Murungi (South Imenti, Independent): Hon. Temporary Deputy Speaker, having listened to Hon. Ferdinand Wanyonyi, my good friend, and looking at the faces left in the House this afternoon, I see they are in concurrence that the Chair of Budget and Appropriations Committee should be called to reply under the provisions of Standing Order No.95.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Before I gauge it, Members you know the procedure of the House and how we prosecute such requests by Members. Let me give a chance to the Member for Seme as I had indicated, then I come to yours.

Hon. (Dr.) James Nyikal (Seme, ODM): Thank you, Hon. Temporary Deputy Speaker. I rise to support this Supplementary Appropriation Bill. Although it has come early in the budget cycle, it has been necessitated by the need for us to realise that we can only spend the money that we have without borrowing excessively and taxing our people excessively. Somebody once said that you can never tax your people into prosperity. We worked on the taxes. We moderated a

little bit. It was necessary that we look at the Budget. Borrowing needs a lot of fiscal and budgetary discipline so that we cap this particularly local borrowing which competes with business and stifles production from within. We need to pass it quickly, but there is delay in disbursement. We are already in the second quarter of the budget cycle. Unless we move very fast to pass this and disbursement starts, we are going into the third quarter and we will have only one quarter left.

The fourth quarter in the Exchequer release does not do much. It is that late release in the fourth quarter that normally gives us what is known as lack of absorption. The money comes when it is too late. Projects cannot be implemented at that time. There are processes. So, it is necessary that we pass this thing quickly so that the disbursement starts and we start to use the money.

We also realise that it has affected some of the programmes, like the programmes of the National Government Constituencies Development Fund (NG-CDF). Hon. Ochanda said that we were able to save Kshs3 billion on the NG-CDF on the basis of the maths of 2.5 per cent. That is understandable but even then we need that money like yesterday, as Hon. Wanyonyi said. We need to start spending that money. Remember that our expenditure will always be after the Exchequer release. Therefore, if there is late Exchequer release to the NG-CDF, we are going to get bigger delays. We need to get going.

I also support this Supplementary Budget because for once, we have heeded the request from the Judiciary. The Judiciary made a big plea. They came out and said that they cannot operate unless they are given adequate funds. This Supplementary Budget has done that. We need to support the Judiciary because our fight against corruption is dependent on the Judiciary, and we are beginning to see results. We hope that it will go forward and even get the funds that are hidden outside this country. We need to support the Judiciary.

There is also support for the Controller of Budget. There was a comment that they are using money for hardcopy printing. I support that. At least they need to inform us. Article 228 requires that once every quarter they get us a report. I know these reports have been coming but I do not remember us discussing the Controller of Budget's report in this House. That is something we should do.

Let me comment about the resources to the counties. This has been reduced by Kshs9 billion. Whatever shortcomings the counties have, we must support them. They should get the funds they require. Look at the accounting date we are using to work out the 15 per cent. It is the 2013/2014 audited accounts. This is not fair. The Public Accounts Committee (PAC) should work hard to get auditing up to date so that the counties get the money.

Further, during the budgeting process, as the Member for Kitui Central indicated, when we were looking at the denominator for dividing the money for the county government, we used a fixed data. This is because the budgeting process does not allow us at the time of the Budget Policy Statement (BPS) to know the needs of the counties. I have said that through the Intergovernmental Budget and Economic Council (IBEC) and the Departmental Committee, there should be a need that by the time we discuss the BPS, we have a rough idea of what all the counties need. We are normally very clear at that point what the national Government needs. But we leave it at that with the assumption that the Commission on Revenue Allocation will sort out the rest. It is late. That is why we always have a problem with the Senate. We should look at the law and make sure that the counties get the money in line with their requirement.

Lastly, one of the reasons as to why we are having expenditure is the structure of Government. I appreciate that creating some departments and Authority to Incur Expenditure

(AIE) holders will sometimes help the work to be done quickly. The other side of the coin is that when you create these departments, you increase the number of staff that you need. It costs money. Like in this Budget, you can see that Executive Order No.1 of 2018 created quite a number of new departments in housing, public works, wildlife and tourism. Even if it has really improved the work, we must realise that it will also increase the cost of doing business. These are areas we need to look at.

With those remarks, I support this Bill.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Hon. Members, procedurally, as raised by the Member for South Imenti Constituency, Hon. Murungi Kathuri, Standing Order 95 is about closure of debate. In my opinion, this is not an abuse of the proceedings of the House. Again, it is not an infringement of the rights of Members. So, I will put the Question on this particular request.

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

Hon. Kimani Ichung'wah (Kikuyu, JP): Thank you, Hon. Temporary Deputy Speaker. I take this opportunity to thank all the nine or so Members who have contributed. Those were important contributions. There was a very serious contribution by the Member for Kwana, Hon. Ferdinand Wanyonyi, and various other Members who have contributed, including the support and contribution of Hon. Kathuri Murungi. Pertinent issues have been raised. I will pay particular attention to what was said by Hon. Manje on the possibility that we will be borrowing for Recurrent Expenditure to pay salaries and wages. I want to confirm to the House that indeed, the Government is not borrowing for Recurrent Expenditure.

If you listened to the contribution of Hon. Ndindi Nyoro, the Member for Kiharu, he asserted that from the projected revenue collections, we have a small amount that is left for Development Expenditure. The rest is borrowed. That is why I indicated from the beginning that even this particular year, we have a Kshs562 billion deficit, which the Government intends to fund through both domestic and foreign borrowing. Therefore, most of the borrowing goes towards Development Expenditure. Just like in our own micro-economies in the household, we are not able to meet all our demands for the projected expenditures. If you were to grow, even as a person at the micro-level of a household, you borrow and invest in productive areas that will help you grow. The national economy is a macro-economy, which is a conglomeration of the micro-economies of the household. Therefore, there is absolutely nothing wrong with borrowing provided the borrowed money goes into productive areas that will help the economy to grow and create better job opportunities for the millions of our jobless people.

I encourage Members, even as we contribute both here and outside, I had indicated when we had the Speaker's Round Table in Mombasa two weeks ago, that... I am usually taken aback when I hear many Members of Parliament speak eloquently especially on radio and television stations on what ought to be done. They forget that that task and responsibility is vested in us as Members of Parliament in this House. It is not even the Senate. It is vested in the National Assembly. The National Assembly is charged with the responsibility of appropriating money to various ministries, departments and agencies of Government.

In light of what Hon. Ferdinand Wanyonyi said in his very serious contribution, that indeed even if you want to reduce certain agencies of Government, it is incumbent upon us as Members of Parliament, those who sit in Departmental Committee on Transport, Public Works

and Housing, and any other Member of this House who may have such a proposal, to bring a legislative proposal to consolidate those roads agencies, that Hon. Ndingi and Hon. Wanyonyi have spoken about, some of which are in the water sector. We are still considering and I confirm that out of close to 30 legislative proposals, I will table a report on that in the very near future. We have had to consider in the Budget and Appropriations Committee in line with provisions of Article 114 on the money Bill legislative proposals, many of them, probably a third of them relate to proposals to create new funds, new agencies and new boards. We are the same people who are telling the country that we ought to be reducing the size of Government, reduce the number of parastatals, yet we are the ones creating them through our own legislative proposals.

Therefore, I challenge the House or as Members of Parliament that even as we consider budget estimates it is not the Budget and Appropriations Committee that has the opportunity to scrutinise vote by vote of various ministries. Those of us who sit in departmental committees must take responsibility and role in the scrutiny of estimates more seriously than we do. Let us take to task the Cabinet Secretaries and Principal Secretaries who appear before us. Let them take us through line by line items of the votes in their ministries. It is that opportunity that we are given as Members of Parliament to scrutinise those budgets and re-allocate what we find is not necessary in a particular ministry, department or agency of Government to a more relevant and more productive area.

Therefore, when we sit in television stations and complain that there is a lot of wastage in ministries or that ministries are spending much buying flowers and tea, ministers are spending a lot of money on chase cars... Yes, they have chase cars because we have appropriated money for them to have chase cars. If the austerity measures that were passed during the 10th Parliament when President Uhuru Kenyatta was Minister for Finance, to the effect that ministers should use vehicles whose capacity is not beyond 2,000cc and then we got the famous Passat, are not adhered to then somebody should answer. If that was the Government policy, then if a CS in a ministry you oversee in our departmental committees drives to Parliament in a 3,800cc vehicle with a Subaru 2,700cc as a chase car, they would be doing that because as Members of Parliament you have allowed them to do it.

I challenge Members of Parliament, it is our responsibility, more so, during appropriations of funds to ministries, departments and agencies to ensure that we know where a CS gets money to employ a driver for a chase car, to fuel it and also buy a car that is beyond the rating that is allowed and fuel it. They are able to do that because we appropriated that money to that ministry. Therefore, in the next budget estimates, I hope and believe that this House will take the challenge more seriously.

Not one single chair of a departmental committee has appeared before the Budget and Appropriations Committee to tell us that they have found unnecessary expenditure in a certain ministry, save for the Departmental Committee on Education and Research that was able to get savings from Recurrent Expenditure and appropriate the same towards development in our public universities in the last estimates. All the other departmental committees we all sit in as chairmen, we request for more money to be allocated not just to development, but also to Recurrent Expenditure.

Therefore, I beg that as we move towards, hopefully, second supplementary estimates, and more importantly the 2019/2020 Budget Estimates, we take our work more seriously. I hope that as we move to the 2019/2020 Finance Bill, we will not suffer the fate of the last Finance Bill when we were considering the President's Memorandum. It is also an opportunity for Members of Parliament to articulate issues based on facts and merit.

I indicated when I was moving that had we not been able to pass the Presidential Memorandum, we would have left the country in a situation where we would have to borrow much more money than the Kshs562 billion. Therefore, with the estimated 57 and 43 per cent split between foreign and domestic borrowing, it means the Government would have been left with no choice but to come back and borrow from the domestic market more. What that would have done to the Central Bank rate, that Hon. Ndindi Nyoro spoke to when he was contributing, is that we would have gone from the 8 or 9 per cent that I think is now allowing people to borrow at 13 per cent to 10 or 11 per cent. That will drive the cost of borrowing and we know what that will do to the cost of goods and services.

I was a little taken aback when I watched Members – not in the Chamber where we ought to debate – but out there. They came singing in the Chamber and took the debate outside the Chamber, purporting that it was 8 per cent increment in VAT which in net terms is about 4 to 5 per cent in VAT. If this were the case, it would mean that prices of goods and services would go up by up to 300 per cent, which was not true. The truth was, if they had allowed that debate to be conducted here and Members to debate and listen to each other in this Chamber, we would have told the public the truth. That is why I said when I was denied an opportunity to say it here during the debate, that I can look at any Kenyan in the eye and tell him that passing the Finance Bill was the right thing in this country. It was going to save this country more damage than it would have had we refused to agree with the President in that Memorandum.

I urge Members that the kind of sober debate we have had now is what we should have now and in the future, be it the Budget, Finance Bill or any other Bill. Let us allow each other time to speak and listen to each other. If you do not agree with me, you do not have to. Raise your points and at the end of the day, we will make a decision based on merits and demerits of what is before us. I thank all Members who have contributed to this debate.

With those remarks, I beg to reply.

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): Thank you, Hon. Members. The Supplementary Appropriation (No.2) Bill, National Assembly Bill No.23 of 2018 has been moved, debated and replied to by the Chairperson, Budget and Appropriations Committee.

Thank you, Hon. Chair but for obvious reasons, I will defer putting of the Question until the next sitting as it will be slotted in the Order Paper.

(Putting of the Question deferred)

Next Order!

MOTION

REPORT ON AUDITED FINANCIAL STATEMENTS FOR CONSTITUENCIES IN NAIROBI COUNTY

THAT, this House adopts the Second Report of the Special Funds Accounts Committee on Audited Financial Statements for the National Government Constituencies Development Fund for constituencies in Nairobi City

County for the Financial Years 2013/14, 2014/15 and 2015/16, laid on the Table of the House on Wednesday, 3rd October 2018.

(Hon. Kathuri Murungi on 16.10.2018)

(Resumption of Debate interrupted on 16.10.2018)

The Temporary Deputy Speaker (Hon. (Ms.) Jessica Mbalu): On this Motion, the Mover, the Member for South Imenti, had a balance of 20 minutes in moving. I therefore call upon Hon. Kathuri Murungi to proceed.

Hon. Kathuri Murungi (South Imenti, Independent): Thank you, Hon. Temporary Deputy Speaker. Yesterday evening I made good progress in moving this Motion. So, I will share the 20 minutes with Hon. Omuse who will be seconding the Motion. I just want to give some highlights on the issues that we have captured in the Report.

This afternoon, Members have talked passionately about how NG-CDF has improved this country. I am therefore very happy as the Chair of the Special Funds Accounts Committee that we now have an opportunity to check on how this money is being used in the constituencies. Since 2013, these are the first examined reports that have been brought to this House and I am very happy that Members will be able to interact with the Report and understand what happens with this money when it goes to the constituencies. Also, Kenyans will have an opportunity now to check whether this money is used prudently or not and whether the citizens get value for their money or not.

I would like to talk about the late disbursement of funds as we discussed in the Supplementary Appropriation Bill. You can see that the monies which were expected as early as the first quarter of the 2018/2019 Financial Year have not been released to the constituencies to date. This is the second quarter of 2018/2019. Therefore, you will agree with me that the projects that we are supposed to do in 2018/2019 will be carried forward to the 2019/2020 Financial Year. It is important that these monies are released on time so that the projects can run as budgeted for.

Another issue is, the Fund Account Managers wherever they are, should ensure that they are really prepared for the auditors. In most circumstances, the audit queries emanate from the fact that the Fund Account Managers are not able to give the auditors the required documents such as the financial statements or bank statements, to include them in their audit. Therefore, when the auditors are at the constituency for one week, sometimes they leave without having examined all the documents that they need.

Our recommendation as a committee is that we want to ensure that an electronic transfer in bursary awards is actualised by NG-CDF board. In most cases there are delays, cheques are written to institutions and some of the students suffer without getting the money. Some of them are forced to be out of class during exams. Therefore, we want to recommend that whenever NG-CDFC passes bursaries in their committee, the Fund Account Managers will be having a list of all the institutions, with their bank accounts, and they will automatically transfer that money to the respective institutions such as schools and colleges.

As I mentioned yesterday, there are so many stalled projects which were devolved, especially on health. We have therefore recommended that NG-CDF board gives us an audit of all these projects wherever they are so that they can be completed in conjunction with the county government. Treasury can do conditional grants for those projects so that they can be completed.

The other thing that we recommended is that the district accountants be increased to four in Nairobi County constituencies. Currently, they only have one who is not very efficient.

Also, we highly recommend that the board should have one fund manager per constituency so that they can be efficient and can handle the task and do the work diligently. This is arising from the fact that the constituencies which are sharing fund managers are the ones that suffer from inefficiency and they receive audit queries from the Auditor-General.

Another thing that we recommend and we also want the select committee on NG-CDF chaired by Hon. Maoka Maore to support is to ensure that the NG-CDF board is fully constituted. At the moment the officers that are in the board are civil servants. We need about four officers who should be appointed to the NG-CDF board. Some of the decisions are delayed because they take a lot of time to meet, depending on the nature of their work. We have therefore recommended that the NG-CDF board should be reconstituted so that they can be efficient as they serve Kenyans. The board also needs to advertise for the position of the Chief Executive Officer (CEO). The current CEO has been there since 2011 in an acting capacity. For eight years in acting capacity, you agree with me that it is not proper. If he is confirmed or the position is advertised, then we will be following due process.

The last issue before I allow my colleague to second this Motion is, the Kshs 10 million cap that is given as a policy by the board, before any constituencies are give more money should be reviewed. As I mentioned, some of the cheques delay because of the bursaries or as a result of technical issues. Therefore, punishing those projects because of the Kshs10 million limit is not good. We have therefore recommended that, that policy should be reviewed so that projects do not suffer during the implementation process.

With those many remarks, I want to conclude by appreciating my committee Members for demonstrating commitment and consistency in their duty. They have sacrificed their time despite being busy to ensure that the Committee effectively carries out its mandate.

On behalf of the Committee, I wish to recommend our appreciation to the offices of the Speaker and the Clerk of the National Assembly for facilitating the Committee in fulfilment of our mandate. Our Committee is also grateful to the witnesses, Government officials and agencies that adduced evidence before us. Further, we are also grateful to the staff of the Office of the Auditor-General, who is an agent of this House, and the NG-CDF staff and officers from the National Treasury for the services they rendered to the Committee as we executed our mandate in Nairobi County.

*[The Temporary Deputy Speaker
(Hon. (Ms.) Jessica Mbalu) left the Chair]*

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

With those remarks, I beg to move that this House adopts the special report of the Special Funds Accounts Committee on audited financial statements for the NG-CDF for constituencies in Nairobi City County for the Financial Years 2013/14, 2014/15 and 2015/16, laid on the Table of the House on 3rd October 2018.

Allow me to call upon Hon. Geoffrey Omuse, Member for Teso South, to second this Motion. Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Omuse.

Hon. Geoffrey Omuse (Teso South, ODM): Thank you, Hon. Temporary Deputy Speaker. I stand to second this Report. I wish to take this opportunity first to thank our able chair for the good leadership he has offered to the Committee. I urge Members to debate soberly especially Members from Nairobi constituencies. Looking around, I cannot see any single Member from the City of Nairobi present, which is quite unfortunate. Nevertheless, it is good to be noted that the Report is a combination of three years and is a total of 51 reports.

The Committee has made its observations, findings and recommendations, just as it has been put by the chair, in a bid to improve the management of the fund. I want to join other Members who were contributing in the other debate that this is the only fund even Kenyans can attest is going down to the common *mwananchi*. As a Committee, we are trying our level best to ensure that there is prudent use of money for the benefit of the Kenyan taxpayers. As we execute our responsibility in the Committee, we are very keen to ensure that every cent goes to the intended purpose.

During our engagements as a Committee, we realised cross-cutting issues. There are several hurdles in the management of the fund, majorly late disbursement of funds. As mentioned earlier, this is the second quarter and funds have not been released. This has a lot of impact on and hampers a lot the performance of the fund. So we urge that this is speeded up and in the future let this fund be released just as other operational funds of the Government. There is also the issue of AIE which always comes late after release of funds; some take even a month and you fail to understand why. As a Committee, we have recommended that this is rectified.

I do not want to take a lot of time but just to join the chair and other committee members in appreciating the support we got from the offices of the Speaker, NG-CDF Board, Auditor-General, National Treasury and the Members from Nairobi County. Lastly, we want to thank our secretariat and wish that moving forward, the same spirit be brought to bear while undertaking their responsibilities.

With those few remarks, Hon. Temporary Deputy Speaker, I wish to second. Thank you.

(Question proposed)

The Temporary Deputy Speaker (Hon. Christopher Omulele): I see interest from Hon. ole Lemein Korei.

Hon. Korei ole Lemein (Narok South, JP): Thank you, Hon. Temporary Deputy Speaker. At the outset, let me indeed thank the chairperson of this particular Committee, my very good friend Hon. Kathuri, and your Committee. This is the first time this House, through our Standing Orders, we have created this committee to oversee NG-CDF. I looked at the recommendations of the Committee and they are very good. They will go a long way in improving management of NG-CDF. Indeed, there are a number of bottlenecks and of course every Member in this House understands.

I have heard the issue of trying to introduce electronic cheques to schools. This is a wonderful recommendation and I think it is going to remove a number of bottlenecks in this particular area. This is a very interesting Report and I believe it is going to be quite debated in this House, because every Member in this House has some experience in one way or the other as far as NG-CDF is concerned.

When you look at the issue of sharing fund managers, you realise that it is not a new phenomenon. It is happening and it is indeed true that it delays the operations of the two constituencies or one of them. At the end of the day, the beneficiaries suffer. It is not only the

fund managers; there are other situations where constituencies even share a District Accountant. At times, getting access to a certain accountant becomes a problem. By the end of the day, time moves and the beneficiaries of the funds suffer. Therefore, this Report is very good. It will go a long way in eliminating some of the bottlenecks that this fund has been facing.

I want to agree with the chair that some of the audit queries that the Auditor-General raises are issues that can be resolved administratively. For example, if you cannot avail a payment voucher or a bank statement—basic accounting documents—then by the end of the day the Member of Parliament is being blamed just because of an administrative issue!

Hon. Temporary Deputy Speaker, by the end of the day and by the time this House adopts this Report, it will be of immense help to the fund managers and the committees. Therefore, without much ado, I truly thank the chair and the Committee. I think by the end of the day this Report will assist our respective constituents.

I thank you.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Very well. Members, remember that on these particular reports each Member has 10 minutes to contribute. So, arrange your thoughts so that you use your time well. You have sufficient time to contribute. I will allow this opportunity to Hon. Kibunguchy Wamalwa, Member for Likuyani.

Hon. (Dr.) Wamalwa Kibunguchy (Likuyani, FORD-K): Thank you, Hon. Temporary Deputy Speaker. May I also start by thanking the Chairman of the Committee. I was tempted to interrupt him when he said we ask the Mover to reply during the previous Bill that we were discussing. I wanted to ask him what interest he had and it becomes very clear that he wanted us to move to his Motion.

But let me thank him. Much of what he has said about Nairobi County is similar to what happens in Likuyani Constituency. Before I go into the substantial points of my contribution and because you have given me a chance to talk, I am sure the whole country is listening, may I congratulate our girls who play football in this country. Right now we have just got a word that they have qualified to play in the African Women Cup of Nations.

(Applause)

May I also congratulate the Harambee Stars for their excellent display on Sunday. We were all very proud for the first time as Kenyans regardless of what part of the country we come from. We were all united in cheering and applauding the work that our team did at Kasarani.

Let me come back to the substance of this Motion.

First, the Chairman mentioned stalled projects. When we were transitioning in 2015, we were asked not to touch any projects that were defined by the Constitution to belong to the counties. As a consequence, most of those projects have since stopped and a way must be found. In Likuyani, I can count many. We had started a number of bridges that have stalled and some have been swept away because they had not been completed.

As you know, I am a medical doctor and health is so close to my heart. We had started a number of dispensaries. Some were even completed but there is a bit of bad blood between counties and the national Government. We have asked our county of Kakamega to start running them, bring us drugs, a nurse, clinical officers and let us open these dispensaries but up to now they have not done that. Since you might ask me to substantiate, I will mention two or three in my constituency.

There is a dispensary in Kware, Mbururu and in an area called Aligula. There are many others that are complete but they are not functioning. I cannot understand what is happening. To just add, there are so many of those other projects we had started and I am sure all MPs have that experience. Some had been done to 50 per cent, 75 per cent and some even 90 per cent but we were told by the board that we cannot touch any project that belongs to the county. So, I agree with the recommendation that a special fund must be found from the National Treasury to complete these projects.

Secondly, I want to talk about something that even as we were having the last supplementary debate also came up. Virtually, all people said the NG-CDF is the only fund that you feel and see its work when you walk on the ground. It is the only fund that people can see what it is doing. That people do not know what the counties are doing. This is something many MPs would talk about.

Obviously, as a country we must get to a point where we say: "Did we make a mistake in bringing devolution at the level of counties or did we make a mistake in the structure of devolution?" My own view is that we made a mistake in the structure of devolution. We should have had three tiers of devolution; not the one that Rt. Hon. Raila Odinga talks about, but one where we devolve from the national to county government and devolve these funds further down. Before we set up the NG-CDF in this country, there was completely unequitable development. It was much skewed in certain areas. Where the president or the minister came from, that area would get a lion's share of development money.

That is the same thing that is happening in other counties. Therefore, we should have a law saying that if we will get a chance to get to the referendum, that once money comes to the county, the county government is obligated by law to let this money flow a little further down. As far as devolution is concerned, we are talking about wards. I am glad even without the law being very clear some governors have actually agreed to have a ward development fund. In certain other counties such as my county of Kakamega that have not been affected, when we asked, we were told that it is not in law. And so we ask about what is happening in other counties where money is being devolved to the wards and we were told that they would face audit queries at the Senate.

Therefore, if that is the issue, we cannot depend on the magnanimity of an individual. Let us put it in law. I will propose that we put it in law so that once the funds get to the county; we use the same formula of getting funds from the national Government. If it is 15 per cent - in this case people are talking about 25 per cent- it is the same formula that we will use once that money has reached the counties to disburse this money to the wards.

I am very sure that if we did it like that we will have development at the grassroots and people will start appreciating. I do not want to be so critical about my county but it pains me that the county gets money and then puts up huge projects. My governor wants to put up a level six hospital in Kakamega, which is not bad. I have no problem with this, but he has smaller units which serve people daily and they are not getting funds. He is pushing the idea of creating a bank. Counties wants to set up a bank and this is not their mandate. We have enough banks in this county. Why should they start other banks which are associated with mainstream banks? They are setting aside Kshs200 million from every county to set up a bank. The question is; how will this bank help Kibunguchy and the others at home?

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Kibunguchy, you will have another two minutes to wind up.

Hon. (Dr.) Wamalwa Kibunguchy (Likuyani, FORD-K): Thank you very much, Hon. Temporary Deputy Speaker. On this aspect, I am throwing a challenge to the Senate. I have no problem with economic blocs because people come together to do business. Adjacent counties can do things together and maybe harmonise taxation. But, setting up a bank is saying what? Is the bank going to be a regional or national bank? Is it going to have branches? Of what benefit will it be? I am asking the Senate if they are listening to me, they should interrogate this aspect of starting a bank in the Lake Region bloc, so that we can know how it will help us and my people of Likuyani Constituency.

As I finish, I agree with most of the recommendations, the issue about electronic money transfer for bursaries is excellent. However, interrogations are necessary on the emerging issues of Appropriations in Aid (A-I-A) used to send money on the ground. We do not have a law in the NG-CDF Act which will give us a chance to use this money. Therefore, we need this to be investigated. Therefore, are we better off when we get equal amounts of money in all constituencies? Constituencies have different needs especially those in urban areas do not require as much money as those in rural areas. Let me stop there and thank the Committee for its Report. I hope we will implement it.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Christopher Omulele): A good delivery, Hon. Kibunguchy. I can see you are very passionate about what you have said and it is noted. Members allow me to give this opportunity to Hon. Jessica Mbalu, Member for Kibwezi on gender grounds because she is the only hon. lady in the House. Also, because she has been seated here administering the House.

Hon. (Ms.) Jessica Mbalu (Kibwezi East, WDM-K): Thank you, Hon. Temporary Deputy Speaker. I will only take two or three minutes for the sake of the other members who want to contribute. Mine is to congratulate and appreciate the Report by the Chairman who is a very good friend, Hon. Kathuri and his team who did a very good job.

Let it be noted that this is the first Report by this Committee. In the 12th Parliament, we have a third oversight committee and this is where NG-CDF falls. We must congratulate the chairperson and his team for doing a good job. Some of the issues they raised, observations and recommendations are welcome to the House. Having listened to the Chairman as he moved the Report yesterday, he stated clearly the position of MPs. They are just mere overseers and do not participate. Therefore, Kenyans should know we do not participate in implementation and planning of the projects. So, we may remove the anxiety and politics around NG-CDF.

I agree with the observations and recommendations and especially on the continuous learning and training of fund managers. We also need more fund managers recruited because of some work for two or more constituencies. Of course, on efficiency the findings of the Committee were that this was not working well, especially when these fund managers have a lot of work. Issues of unpaid bills and unsupported documents have been observed. On procurement I agree with the recommendations that the fund managers in every constituency must undergo continuous training.

I served in the 11th Parliament together with the Chair of the Committee. It is a shame, as observed, that we can have Acting CEO of NG-CDF for that length of time. This is the only fund which Kenyans can testify is working in this country. A CEO working in an acting capacity for seven years is a shame to this country. This is punishment to Kenya. While we know such a fund has helped Kenyans and especially the lowest level of the national Government, I agree with the

chair that in the next three months all the recommendations he made yesterday should be implemented.

I call upon and stress that within these three months this Report should be implemented. We need the Acting CEO, Mr. Mbuno, to be confirmed as the CEO of NG-CDF. In fact, he passed the interview and we passed his name in this House and Members can testify to that. This is a shame. How can we punish this individual who is highly qualified? We have not had any major audit issues like other institutions. This Committee must be heard including those who go through the HANSARD or watch the proceedings. Mr. Mbuno, the Acting CEO should be confirmed.

Secondly, we do not have a board, so, in the next three months as we implement recommendations, we expect the NG-CDF Board to be put in place for us to manage this fund well. The NG-CDF only gets 2.5 per cent compared to county governments which get 23 per cent of the budget allocation. In Kibwezi Constituency, I am lucky that I run and fight with men. If you look at the development projects in Kibwezi Constituency, Makeni County which has a budget allocation of 2.5 per cent you will appreciate what NG-CDF has done.

I want to congratulate the Chair and his team for the observations and recommendations. I think this is the start of the journey. Something must be done to ensure that NG-CDF's social impact is felt more by our people in the constituencies which form our lovely country Kenya. I do not want to take a lot of time. We also call upon the Treasury to ensure that they release the money for the NG-CDF on time. As the Vice-Chair of the Public Accounts Committee, some of the observations we are making are on under-expenditures because of delays by the National Treasury in disbursing funds. Projects are not being done. Absorption rates are low. We call upon them to ensure that this is not repeated or at least they take measures to ensure that this does not happen.

I know much has been said. It is a voluminous Report on Nairobi County constituencies but the observations therein are cross-cutting in all constituencies. I am sure even your other reports will be so easy to compile. So, congratulations. Because other Members want to contribute on this, mine is just to register my appreciation and support for the Chairman, together with the Committee.

Thank you so much.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Member for Kibwezi East, I am sure you did not literally mean fighting men in Kibwezi East. Rather, you compete competitively and well against the male gender in elective politics. You have been successful at it. We appreciate that.

We shall have Hon. Mutunga Kanyuithia, Member for Tigania West.

Hon. John Mutunga (Tigania West, JP): Thank you very much, Hon. Temporary Deputy Speaker, for the opportunity to contribute to this Report. The Report comes in as a very realistic and cross-cutting piece of information. I would like to congratulate the Committee that did this Report because of the level of detail in which they have actually covered and also the level of inclusion of the various issues that are highly cross-cutting in very many constituencies in this country.

Although the Report is about Nairobi County and constituencies within Nairobi County, we realise that some of these issues are very common across the country. I would like to point out one fundamental factor about NG-CDF. Besides NG-CDF being the fund that is very conspicuous, and the fund that we are overseeing as Members of Parliament, it is the only fund that the communities know about. It is the only fund that is declared in details by the community

due to the public participation nature. It is also the only fund that communities can actually audit. Because the communities can audit the fund, they will be able to know many things that probably they would not know if they did not have that particular opportunity. First and foremost, if there are delays in disbursement of funds, people will question why the projects in their areas delay. They will get to know some of the things they ought not to know about Government secrets.

The Report points out delays as one of the fundamental factors we would like to underline. We should not have a lot of delay, especially in the disbursement of these funds because the money belongs to the people. People are interested. People know about it, and they actually audit the NG-CDF money.

Looking at the recommendations, I would like to say that they edge on the impediments that NG-CDF has undergone over time, especially in those areas that this Report has focussed on. One of the key issues we need to realise, which comes up in this Report, is the nature of the collaborative approach in implementation of NG-CDF projects. The NG-CDF committees that have been appointed at the constituency level overseen by Members of Parliament cannot work alone because they do not have all the machinery and mechanisms to work alone. They can only work in collaboration with the Government. The process of managing this fund is, first of all, they have to come up with the projects that have got to be done within a constituency. These projects are submitted as a plan for the year to the NG-CDF headquarters and then there is an approval process. I am bringing up this issue to highlight the fact that when it comes to implementation, we have different institutions involved. In terms of construction, we have the Ministry of Works, which advises on what is supposed to be done and then gives a report on the estimated costs of doing that particular project. These reports must be produced before implementation commences.

One of the things that the Report brings out, which is really fundamental, is the fact that the interdependence of implementation causes delay. Once you cause delay, people basically will question why the delay and why their area is not working. One of the things we would like to appreciate is that the NG-CDF does not end with the financial year. At least, it has a spillover effect to the other financial year, and that can give the possibility for the fund to be implemented.

The other issue that has also come out is the failure or deliberate attempt not to comply with the requirements of the law, especially when it comes to implementation. I would like to cite only two. One of them that is clearly cited in this particular Report is the internal public sector accounting standards that in some cases are not followed. Once we have an implementation process that does not follow the given guidelines of a country, then we have a problem. During training of Fund Account Managers, emphasis is made on some of these issues and provisions of the Public Procurement and Asset Disposal Act of 2012, which needs to be complied with in full. Probably, it can also cause delays because the procurement procedures in this country need to be looked into.

The other issue that is coming up in this particular Report, which is worth mentioning, is that of following up the procedures themselves. It is notable that the Report clearly cites an approved project implementation and also reallocation of resources without approval. As far as Government money is concerned, although the Member of Parliament is supposed to oversee this, some of these things just slip through. We need to call for caution among all the Fund Account Managers; that, projects should not be implemented before they receive approval. I believe the NG-CDF Board at the headquarters approves projects expeditiously. Therefore, we

cannot blame them for the delay. So, we should not have projects sneaked in or reallocations done which have not followed the due process.

There is also an issue which has come out, which is worth mentioning – failure to basically surrender imprests. Looking at NG-CDF, very little goes through imprest. Most of the money is supposed to be spent on projects, and the money disbursed directly to the implementing parties. Third parties who have won tenders implement. How much money is given out as imprests given that only 6 per cent of NG-CDF money is used for administrative activities? This also throws caution to the managers. We need to ask ourselves about the credibility of these managers. It is important for these managers to be coached properly and also to be seriously vetted. This is because if you cannot, as a manager, surrender imprest, how do you expect third parties to comply with the law? How can you, as a manager, enforce compliance when you are not able to surrender imprest in time?

There is an issue that has come out, which I think is notable. This is the issue of assets transfer upon split of constituencies. We also have possibilities for merging of constituencies. We need to have procedures for asset transfer or asset consolidation. This issue comes out across the entire country. It needs to be looked into very seriously.

Even as I support the adoption of this Report, I would like to support what the previous speaker has said. She has clearly indicated that the Board is interim. This is one country where the interim phenomenon is becoming permanent, which is tantamount to breaching the law with a lot of impunity. It is misinterpretation of law. I am wondering where Okiya Omtatah is in terms of these issues. Why is he not highlighting them? This is because this is the only country where people act in offices for four or five years. I would like to highlight an example in the Ministry of Agriculture, where the Agriculture, Fisheries and Food Authority (AFFA) is being managed by a totally interim staff. There is no board. There are only interim staff members who were transferred from previous institutions to AFFA. They have been interim for the last five years. So, you wonder what the law says about interim. The law is clear that you do not exceed six months. After six months something must be done. You should either be confirmed or sacked. So, they keep on renewing this, which I think is a breach of the law. That is why I am asking where some of the people who actually follow up implementation of the law are so that they can highlight the issue of interim officials.

To wind up, I would also like to point out that the Report notes inadequate support from the national Government subcounty administration, and especially on the issues of accounting. We do not have fully-fledged offices which can do accounting. Accounting has to be centralised whereby the central accounting office of the Government is the one that is used in the management of NG-CDF. In some cases, although the Report is not explicit, there may be delays as a result of issues raised in the accounting system. Those are the issues that we need to look into. We should also ensure that even as this Report is done, there is need for us to reach out to other State Departments and Ministries which also support the implementation of projects by exercising caution and arousing their consciousness about this process with due diligence.

I support the Motion.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Let us have the Member for Seme, Hon. (Dr.) Nyikal. What is out of order, Dr. Makali? Hold on, Member for Seme.

Hon. Makali Mulu (Kitui Central, WDM – K): Hon. Temporary Deputy Speaker, I want to make a number of requests because we have been here for long. Some people are taking our positions yet we were here earlier than them. We should speak for only five minutes so that we conclude. There are only four of us. We have been waiting for long.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Makali, you know the rules. If you wanted to limit the time for Members to speak, you would have done it at the very beginning. I am sympathetic to your concern but all the Members who are speaking are Members of Parliament and they have equal rights to speak. Hon. Nyikal has heard what you have said. Actually, you are the next one to speak. I do not know why you are in a hurry. Allow Dr. Nyikal to speak. We are not closing down Parliament. Parliament will still be here even tomorrow.

Hon. (Dr.) James Nyikal (Seme, ODM): Let me thank you again, Hon. Temporary Deputy Speaker.

I appreciate the Chair of the Committee and the team for the work they have done. This is the first time that we are getting a clear and distinct report from the Committee. This is also the first time that they actually went out and came back with this Report. Although this Report is for the seven constituencies in Nairobi, they have brought out a number of cross-cutting issues with regard to the NG – CDF.

First and foremost, they have brought out very clearly the relationship between the MP and the management of the NG-CDF at the constituency level. There has been a lot of misconception about this and it has been used politically. It is now very clear through this Report. I wish this Report could be read by as many people as possible. It is the Committee Chair and the Fund Account Manager who bear the responsibility under mere guidance of the MP. That is extremely important. Many times when other institutions have fought the NG – CDF, it has been on the assumption that it is in some way directly benefiting the MP. The real beneficiaries are the people that are served at the constituency level.

The other important point that is brought out is the issue of the bursaries. Many of us have experienced scenarios where you give out cheques and presume that they have reached the schools. There have been lots of ways of playing around with those cheques. The staff and the heads of the schools play around with the cheques. They even allocate the cheques to other students. If the recommendation that this should be an electronic transfer is approved, that would be extremely important. It is something we see across the board.

Compliance with the required standards is automatic. It applies to the management of the NG – CDF Board. The managers need to comply with the law and the standards as they are.

They brought out another important point related to the records at the project management committees. Some fund managers think that it is the responsibility of the project management committees. Therefore, they leave the records there. It is still the responsibility of the fund managers to make sure that those records are available and where necessary, are transported to the auditors in time. In this case, they will be made available to this committee. That is an extremely important thing. Those records are needed. This is because all the good work that the NG – CDF has done is through the project management committees which have lifted community participation to a higher level in the management of the NG-CDF.

They also raised the issue of reallocation. It is important that once funds are allocated to a project, they go to that project in that year. However, there are some times when it is necessary to reallocate the funds. In that case, they have to make a request. The Committee recommended that the board in Nairobi should quickly respond to the request so that this allocation does not raise audit queries later.

They also raised the issue of delay of disbursement. This is extremely important. Going into the records, you will find that in some constituencies, there are funds even for the last two years that have not been disbursed. That should not be. Moreover, there is some money which

has not gone to the board. They worked out that amount and I agree with them. This money should be disbursed to the constituencies. The National Treasury should disburse this money to the board and they should distribute it to the constituencies.

The limit of Kshs10 million is restrictive. These are not funds that you take back to the National Treasury. There is no reason why they should be limited. It is better that as the year ends, you have your money in the constituency.

I have two last points. One is the overworking of the Fund Account Manager. You find many of them covering more than one constituency. There are some who are designated as regional coordinators while at the same time they manage an individual constituency. I have found that they are distracted. A lot of time is spent out there. The idea of regional coordination is good but it would be important if we would have regional offices with officers who are assigned that job and not an officer from one constituency. That is an extremely important point. As the Committee says that all recommendations should be implemented within three months, staff should be employed so that each constituency has a fund manager who is not managing any other institution.

They point out something that has been a problem for a long time, namely, stalled projects, particularly in the health sector. There were some constituencies where projects were started such as dispensaries and health centres. When devolution came about and the functions were devolved, some of those projects stalled. I appreciate that they put this together. The Committee should find money so that those projects are completed. The county governments have said that we hand over those projects to them. We have tried but those projects are still lying there uncompleted.

I end up by repeating what everybody has said. There is absolutely no reason why we do not have a complete board at this time. The board should be constituted. Finally, it is unacceptable that a manager who has worked relatively well is still in an acting capacity for seven years even after this House has passed that that person should be confirmed. That should not happen in three months. If we can force this to happen within the next one month and get a report that this officer has been confirmed, I would be most grateful.

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

The Temporary Deputy Speaker (Hon. Christopher Omulele): On the issue of implementation of the resolutions of the House, if the House resolves that the director at the NG-CDF should be confirmed, we have an implementation Committee that seems to be working quite well in the House. This is a matter that should be referred to it so that it takes it up.

Hon. (Dr.) Makali, please, proceed.

Hon. Makali Mulu (Kitui Central, WDM-K): Thank you, Hon. Temporary Deputy Speaker. I will try to be very brief so that I save five minutes for another Member.

One of the things I want to appreciate is doing a report for three years. This is innovative and I urge PAC and PIC to go that way in terms of their reports. It will help this House in making decisions.

I listened to the recommendations and I have categorised them into two: administrative and programmatic. Administrative recommendations include managers not providing required information to do auditing; failure to surrender imprest; a CEO acting for seven years and accounting officers not supporting the NG-CDF. I recommend that Hon. Kathuri's Committee should not allow three months for the administrative issues to be sorted out. They need to allow only two weeks for the administrative issues. If it is somebody who has not surrendered imprest, they can attach his salary because they are Government officers or they could get another way of

recovering the money. Let the Committee allow them a maximum of one month for administrative issues. That way, we will be helping the country.

If I do not talk about the issue of an officer acting in a position for seven years, I will be unfair to the process. The law only allows six months of acting and Hon. Nyikal can confirm that because he was a Permanent Secretary. It is either somebody is sacked or given the job. Members can attest that Mr. Mbuno has performed to expectation. They should either give him the job or redeploy him to another department. He is an economist and is in the mainstream Civil Service. Otherwise, it is very frustrating doing a job and you do not get confirmed.

Programmatic issues are many. They include incomplete projects; delays in release of bursaries; delay in release of resources and matters of oversight. Let me talk about the oversight committee which has not been talked about. The oversight committee is where the Members of Parliament appoint four people plus himself or herself to oversee the implementation of the NG-CDF programmes. Unfortunately, in terms of the budget, it is only 1 per cent of the monitoring and evaluation budget. On average the monitoring and evaluation budget is about Kshs2 million. So, it translates to Kshs20,000 per year to do oversight. Automatically, that means we are killing oversight. So, Hon. Kathuri and colleagues, we need to propose an amendment immediately to the Act so that the oversight committee moves the 1 per cent of monitoring and evaluation budget to 1 per cent of the total allocation. In that case, we will have effective oversight. This can be done quickly because it will be through regulations. So, it is for Hon. Kathuri and his team and the NG-CDF Committee in the House to make sure we have a board in place that will take up the regulations and change them so that money for oversight is provided.

The other thing is incomplete projects. The reason we have incomplete projects is that when we changed the law, projects to do with health and roads were taken to the county governments, but we did not provide resources for that. I recommend that, if possible, the Government thinks of a conditional grant from the board to the implementing agencies so that if it is health, we give a conditional grant that is tied to a specific project like what Hon. Kibunguchy said. In that case, we will have the projects completed. Otherwise, if we leave them open like this and with our Kenyan politics, somebody will come and say that he did not initiate it and that it does not matter to him so it can go to hell. But what we forget is that this is public money expected to serve the same people who the Governor, MP and Member of County Assembly (MCA) are serving. So, in that case, I recommend conditional grants to these projects so that we complete them.

Lastly, let me address the issue of the Kshs10 million. In the current Kenya, Kshs10 million is no longer a lot of money especially when you have issued bursary cheques worth Kshs30 million and teachers have not presented them to the banks. The money is already tied. You have Kshs30 million which seems to be money in the account but it is already committed to individuals. So, we need to look at this figure and see whether the Committee can help us raise the figure to Kshs20 million. In that case, we will be helping the implementers and Members of Parliament in terms of oversight.

The recommendations are very important. We need to immediately make sure they are taken up by the Committee on Implementation and implemented. The baby we call NG-CDF, which seems to be very beautiful to Kenyans, needs to be matured to the required level.

With those remarks, thank you very much for giving me the opportunity. I support this Report.

The Temporary Deputy Speaker (Hon. Christopher Omulele): You have spared some time for Hon. Kevin Wanyonyi, Member for Kwanza.

Hon. Ferdinand Wanyonyi (Kwanza, FORD –K): I will buy him some tea because he has been very brief. Hon. Temporary Deputy Speaker, I support this Report. I want the Committee of my good friend to have it implemented, but not in three months as requested, but within one month at most.

As Hon. Makali has mentioned, I was also looking at the oversight committee. It is very important for effective management of these funds. The oversight committee should be given more funds because 1 per cent is not anything at all. I feel we should do that.

Hon. Temporary Deputy Speaker, you come from a rural area as I do. Sometime back in 2015, some Members of Parliament conspired. You should remember because you are in your second term like me. They said that we should have equal NG-CDF funds for every constituency. We should revisit this issue and propose an amendment to it. I ask the Chairman to come up clear on this issue. We need to propose an amendment to revert to the old way of disbursing the funds according to poverty index. Take your place and mine in the rural area and compare them to a constituency in Nairobi. We get equal disbursements. I wonder what they do with the money in Nairobi other than painting police stations. I have witnessed that. Disbursements in urban areas, particularly Nairobi and the surrounding constituencies should not be same as those for rural constituencies such as Seme Constituency or where my good brother comes from. Therefore, we have to propose an amendment. If you look at it practically, it is not possible to get... It was Kshs86 million, but was raised by another Kshs11 million. Still that is not enough. Let the money be disbursed according to the poverty index in each of the constituencies.

We debated and approved that the current CEO be confirmed. It has taken seven good years. Again, we should recommend on that matter. The current acting CEO, who is a good and dedicated man, should be confirmed forthwith unless we are debating here in vain. We should do that.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Wanyonyi, you still have five minutes to make your contribution. Hon. Maanzo, I know you have been here, but you know how it goes. You are a good soldier.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Members, the time being 7.00 p.m., the House stands adjourned until Thursday, 18th October 2018, at 2.30 p.m.

The House rose at 7.00 p.m.