

PARLIAMENT OF KENYA

THE SENATE

THE HANSARD

Wednesday, 27th February, 2019

*The House met at the Senate Chamber,
Parliament Buildings, at 2.30 p.m.*

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

PRAYER

The Deputy Speaker (Sen. (Prof.) Kindiki): Sen. Olekina, please, try and summarise, since we are pressed for time.

Sen. Olekina: Thank you, Mr. Deputy Speaker, Sir. I rise to support this Report.

From the onset, I state here categorically that the decision by the Inter-Ministerial Committee to allow more importation of maize was designed to cripple the farming industry. It was guided by politically connected cartels in this country.

I have looked at the Kenya Gazette Notice and had various consultations with the Senate Minority Leader on its issuing. I am will make my remarks very brief and focus clearly on the gazette notice

The Deputy Speaker (Sen. (Prof.) Kindiki): Please, do. We want to move to the Budget Police Statement (BPS).

Sen. Olekina: Mr. Deputy Speaker, Sir, I wish to go on record to say that this is a matter that required so much time because farmers in this country want to see this Senate helping them because they are suffering.

I know that we are pressed of time, but I beg your indulgence in terms of looking at this issue. We should not rush on these matters, so that we can prosecute them and give justice and solutions.

The Deputy Speaker (Sen. (Prof.) Kindiki): Sen. Olekina, I give you three minutes to summarise your thoughts.

Sen. Olekina: Thank you, Mr. Deputy Speaker, Sir. My three minutes start counting now. I am concerned about the issue of the gazette notice. I have looked at it and it reads as follows:

“The East African Community Customs Management Act 2004.”

There are two issues that I raised during the earlier debate on the amendment to this Report, which has to do with the Cabinet Secretary, National Treasury and Planning and how he ended up giving this notification to the public.

In the gazette notice which I want to refer to, it clearly says that-

‘It is notified for the general information of the public that in pursuit of the powers conferred on the Cabinet Secretary under Section 114(2) of East African

Community Customs Management Act, 2004 and in consequence to the declaration by the President and Commander in Chief of the Kenya Defence Forces of the national disaster through Executive Order No. 1 of 2017, duty shall not be charged for the importation of the items set out in the schedule hereinto”.

I believe that the reason as to why the public was notified that maize can be imported into the country was because the Cabinet Secretary (CS) was given the powers under the East Africa Community Customs Management Act, 2004, and that the President had issued Executive Order No. 1 declaring a disaster in this country. However, when the CS issued the gazette notice, according to this Report, there was a ceiling of 6 million bags that was to be imported into this country.

I hope that the DCI would try to find out what happened after the ceiling was reached. According to this Report, over 10 million tonnes were imported. At that level, what was Kenya Revenue Authority doing by allowing importation of maize into this country above the ceiling which was approved by the gazette notice?

My concern is on all the agencies that we keep talking about here. That is where the cartels are and that is where we need to think of how to solve that problem. According to this Report, Kenya Bureau of Standards indicated that the maize were substandard, then why allow them into the country, in the first place? That is my biggest concern. Currently, farmers are crying because they have tonnes of maize in their stores.

As we rush to debate this Report, we should think of policies that will ensure that there is mopping of the local grain available in this country before any maize or any agricultural product can be brought into this country.

Sen. Olekina: I will request for just one more minute ---

The Deputy Speaker (Sen. (Prof.) Kindiki): I will add you two minutes.

Sen. Olekina: Thank you Mr. Temporary Speaker, Sir, for being gracious.

Today in Narok County, the farmers were protesting in Trans Mara because the one manufacturing company they have, which has been buying sugarcane at Kshs4,410 per tonne has decided to reduce it to Kshs3,900 per tonne because they can no longer compete with the illegally imported sugar. So, the farmers are up in arms fighting the wrong person. The people who ought to pay this are the people who allowed this illegal importation of sugar.

(Sen. Olekina spoke of the record)

The Deputy Speaker (Sen. (Prof.) Kindiki): I do not think the two minutes are over.

Sen. Olekina: Mr. Deputy Speaker, Sir, the microphone had a problem.

The illegal importation of maize is a big issue. I did not have a lot of time earlier on to comment heavily on that issue, but hope that this House will not embarrass itself again, like we did during the Ruaraka Report. I hope that this Report will be passed and ensure that those people pay because, if we do not, what Sen. Mutula Kilonzo Jnr. said will be a reality. Most of us, Senators, will be afraid of going home. We will be afraid of going to our houses because we enjoy the lavish life. We can afford to have a driver to take us there, but we no longer look at the interests of the people who send us here to represent them. What we are looking after is self-interest.

Mr. Deputy Speaker, Sir, I hope that this time around, we will put our foot down and ensure that all the recommendations by the good Committee will be followed through by the National Treasury. I would like to state categorically that if the National Treasury does not take into consideration the recommendation by the Senate of the Republic of Kenya, I will be the first one to vote 'No' to the Division of Revenue Bill. Why would I allow money to be reduced, yet people in Narok County are suffering? They are not getting support in terms of healthcare. The trend we are setting now with this appetite of borrowing will make it very difficult for us.

Mr. Deputy Speaker, Sir, based on that BPS, by 2020 the exchange rate of the United States of America Dollar to Kenya Shillings will be almost Kshs150. The Dollar will continue growing and even the interest rate of the external debts will go higher. We will be reduced to a country where 60 per cent or even more of our Gross Domestic Product (GDP) will be towards paying the debt.

I would like to conclude by saying that we must remember that when we decided to devolve health care services, we did so because we wanted the services to reach the people. We did not do that because we wanted money to remain in Afya House. We devolved agriculture because we knew that it is the backbone of this economy. The day that we separate special interests from the interests of the nation, is the day that we will move forward.

I beg to support.

The Deputy Speaker (Sen. (Prof.) Kindiki): Thank you, Sen. Olekina.

Proceed, Sen. (Prof.) Kamar.

Sen. (Prof.) Kamar: Mr. Deputy Speaker, Sir, I will be very brief because my colleagues have contributed very well to the BPS. First, I congratulate the Chairperson, Sen. (Eng.) Mahamud and his team for doing a thorough job for us.

I agree with Sen. Abshiro that this is the beginning of everything. We either gain from the Budget Policy Statement (BPS) or mess at this point. If we do not deal with the BPS properly, we can be part of the cause of the problems and can only blame ourselves later.

Mr. Deputy Speaker, Sir, I would like to concentrate on the division of resources; the area of vertical allocation between national and county governments in as far as the resources of this country are concerned. We need to know whether or not we really believe in devolution. Have we accepted to go the devolution way or not? The Transition Authority, at that time, was supposed to ensure that functions must be followed by resources. Therefore, we should be seeing resources that are equivalent to the functions that were devolved. However, we have problems up to now. We are seeing a struggle and reduction of funding instead of an increase. The amount of money that remains in the national Government is still much higher than we had hoped. The ratio of Government is still much higher than we had hoped would be by year seven of devolution.

Mr. Deputy Speaker, Sir, I am extremely surprised by the fact that the national Government would like to equip over 6,200 health centres. For the last seven years, health centres have been under the county governments. If it is true that there are resources for equipping, what is the problem with releasing the funding to the county governments for the same equipment?

Mr. Deputy Speaker, Sir, I say this because when I went around our health centres in Uasin Gishu County, I discovered idle equipment that was released by the national

Government. So, what exactly are we doing as a country? Why do we want to take more equipment to the counties when the first equipment released has not been utilised? We are a little disadvantaged in Uasin Gishu County because we do not have a Level 5 hospital. We have had double suffering because we cannot get the Conditional Grant that is given to counties that have a Level 5 hospital but further still, it means we have more equipment that is idle.

When I went to Ziwa Sub-District Hospital which we are proposing to be our Level 5, I wondered if the Ministry came to analyse and inspect it, why we would not spend the money that they would have given us to upgrade it and make it a worthy project? It may be true for us and two or so other counties that do not have a Level 5 hospital that if we truly want to support our counties, then we should use the conditional grant rather than stop the grant from reaching the counties and use it to elevate the facilities that we have.

Mr. Deputy Speaker, Sir, I agree with the Council of Governors (CoGs) that there are unfunded transfer functions. The work of the Transitional Authority (TA) would have been to inform us, at that time, what the cost of the transfer functions were. This is because if we had known the cost as of 2012, we would have been talking of figures. I found that although counties have raised this issue, they have not quantified it to tell us how much difference there is between what was transferred and what they should be having as funding. Therefore, we need to relook that.

Mr. Deputy Speaker, Sir, my only urge to this House is that, as we congratulate the Committee for raising the equitable county allocation to Kshs391 billion and recommending the equitable share to be 335 billion, we need to find out whether we believe in devolution so that we increase funding in the devolved units. This is because, currently, as we speak, it is going down yet we are talking of economic growth. So, where is the money going to?

Mr. Deputy Speaker, Sir, I will not take much time. Agriculture and health are fully devolved. These are the areas that this House must watch. We have just talked about farmers and the 10 per cent that Kenya signs to. Why sign 10 per cent and we are still at four per cent? We have also signed something for science and technology which is seven per cent. We have also signed something for health and education and we do not even obey it. Then, where are we going as a country? Where are our standards? Who are we benchmarking with? Unless we benchmark with countries that we believe in and with treaties and agreements that we are signatories to, then we are not benchmarking. We are just signing to show that we are part of the international community, and moving out and doing whatever we feel like doing.

Mr. Deputy Speaker, Sir, I beg to support.