



*Paper laid by
Chairperson BAC
Hon. Chungwaa, MP
Tuesday 5/6/2018
Aech*



**REPUBLIC OF KENYA
KENYA NATIONAL ASSEMBLY**

TWELFTH PARLIAMENT

THE BUDGET AND APPROPRIATIONS COMMITTEE

**REPORT OF THE PUBLIC HEARINGS ON THE PROPOSED
BUDGET ESTIMATES FOR 2018/2019 FINANCIAL YEAR**

21st– 24TH MAY 2018

MAY 2018

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I. Background Information

Pursuant to Article 221 (1), 127 (6) (c) and 173 (3) of the Constitution, the 2017/18 financial year Budget Estimates for the National Government, Judiciary and Parliamentary Service Commission were submitted to Parliament by 30th April 2018. Article 221 (4) and (5) of the Constitution states that a Committee of the National Assembly, which is the Budget & Appropriation Committee (BAC), shall seek representation from the public in the process of discussing and reviewing the Budget Estimates before making recommendation to the National Assembly.

II. Legal Basis for the Public Hearings

The public hearings on estimates of revenue and expenditure is conducted in accordance with the public finance principle of openness and accountability including public participation in financial matters as enshrined in article 201 (1) of the Constitution of Kenya. The Budget and Appropriation Committee is required to conduct public consultations on the budget estimates for 2018/2019 financial year. This exercise is anchored in Article 221(5) of the Constitution and further provided for in Section 39 (2) of the Public Finance Management Act, 2012. The legal provisions mandate the relevant committee of the National Assembly to discuss and review the estimates and make recommendations to the National Assembly, taking into account the views of the Cabinet Secretary responsible for Finance as well as the public on the proposed budget.

III. Objective of the Public Hearings

This is the eighth public hearing on the budget estimates by conducted by Parliament since the promulgation of the Constitution in 2010. In the previous years' consultations, Parliament was able to take into account the views of the public in finalizing its reports on the estimates of Revenue and Expenditure. These important concerns were incorporated in all the Committees reports on the Budget Estimates tabled in the House and also incorporated in the approved Budgets of the relevant years.

This year's public hearing exercise is expected to provide an opportunity for the National Assembly to seek views from members of the public that will inform the finalization of the 2018/2019 budget estimates.

IV. Achievements of previous public hearings

Previous budget hearings have led to critical interventions made through the budget. This includes projects such as the Gotu bridge which was allocated funds as a result of 2013/14 public hearings as well as supply of sunscreen for persons living with Albinism from 2011/12 public hearings which has become an item to be annually budgeted for by the government.

To facilitate the funding of the selected projects from public hearings, a sub-programme on strategic interventions has been introduced under the National Treasury vote and in Financial Year 2018/19, this programme has a proposed allocation of Ksh.1 Billion.

V. Membership of the Committee

The Budget and Appropriations Committee as currently constituted comprises of the following Honourable Members:

- 1. Hon. Kimani Ichung'wah, M.P- Chairperson**
- 2. Hon. Moses Lessonet, M.P- Vice Chairperson**
3. Hon. CPA John Mbadi, M.P.
4. Hon. Richard Onyonka, M.P.
5. Hon. SamwelMoroto, M.P.
6. Hon. Millie Odhiambo, M.P.
7. Hon.TwalibBady, M.P.
8. Hon. (Dr.) Gideon Ochanda, M.P.
9. Hon. James MwangiGakuya, M.P.
10. Hon. (Dr.) MakaliMulu Benson, M.P.
11. Hon. Moses KiarieKuria, M.P.
12. Hon. BenardMasakaShinali, M.P.
13. Hon. John MuchiriNyaga, M.P.
14. Hon. Jude Njomo, M.P.
15. Hon. (Dr.) Korei Ole Lemein, M.P.
16. Hon. Sarah PaulataKorere, M.P.
17. Hon. NaisulaLesuuda, M.P.
18. Hon. Christopher WangayaAseka, M.P.
19. Hon. DansonMwashako, M.P.
20. Hon. FatumaGedi Ali, M.P.

21. Hon. Florence Chepng'etich Koskey, M.P.
22. Hon. James Gichuki Mugambi, M.P.
23. Hon. (Dr.) John K. Mutunga, M.P.
24. Hon. (Eng.) Mark Nyamita, M.P.
25. Hon. Paul Abuor, M.P.
26. Hon. Qalicha Gufu Wario, M.P.
27. Hon. Wangari Mwaniki, M.P.

VI. Conduct of the Public Hearings on the 2018/2019 proposed Budget Estimates

The Budget and Appropriations Committee conducted public hearings on the proposed 2018/2019 budget in the following twelve (12) counties: **West Pokot, Kajiado, Bungoma, Nakuru, Kirinyaga, Tharaka Nithi, Nairobi, Migori, Nyamira, Marsabit, Mombasa and Makeni**. The twelve counties were arrived at on account of limited time to conduct wider public hearings across the country. Counties that did not host a public hearing centre in this financial year will be prioritized in subsequent public hearings until all 47 counties have been covered. It should be noted however, that the public hearings exercise generated significant interest across the country and in some instances, members of the public from counties adjacent to those hosting public hearing centres attended the meetings and gave their submissions. As such, the Committee also received submissions from the people of Kwale, Meru and Baringo counties.

The public hearings exercise began on 21st May 2018 and was concluded on 24th May 2018. In each centre, the exercise began with a courtesy call to the office of the Governor and/or the County Commissioner. This was to inform the leadership of each County where the hearings were taking place, of the purpose of the exercise. The committee then proceeded to the various designated centres and received submissions from the public.

In addition, the committee also visited hospitals in the various regions which had benefited from the Managed Equipment Services (MES) programme to review the status of the equipment and whether these were operational. Other public institutions which were visited as part of the exercise include the Kenya Industrial Research and Development Institute (KIRDI).

Written memoranda were also submitted by Members of the Public and the recommendations contained therein have been included in this report.

VII. Key Observations:

Arising from the submissions during the public hearings, the Committee made the following observations:

1. **Timing of public participation:** it was observed that public hearings are held towards the tail end of the budget process when the macro framework has been finalized and expenditure ceilings broadly agreed upon. As such, it becomes difficult to incorporate major projects from the public hearing into the budget.
2. **Stalled Government Projects:**the committee noted that there are numerous government projects which have taken too long to complete yet these are critical for the economic well-being of the country. Examples of such projects include the KIRDI laboratories, the civil servant housing scheme in Makeni, construction of foot bridges among others.
3. **Access to Basic Social Services:** in almost all the counties visited, there were challenges experienced with regard to access to water for domestic and animal use as well as provision of quality health services.
4. **Poor infrastructure:** the committee observed that in many counties, the roads are in poor condition and actually impassable in some areas, particularly after the recent flooding. In some counties, existing bridges have been washed away by floods.
5. **Electricity Connectivity:** it was noted that there are some challenges with regard to rural electrification. In some areas, there is no electric power due to lack of transformers. This has made it difficult to implement some health and education programmes and is adversely affecting schools, health facilities and individual households.
6. **Unequal development of school infrastructure:** many public primary schools are facing challenges with regard to infrastructure such as lack of enough classrooms, lack of power and other basic facilities. Some schools are mud-walled and in a dilapidated state.
7. **Managed Equipment Services:**it was observed that most hospitals in the counties visited have utilized the MES efficiently but some are unable to utilize it due to lack of power as well as requisite personnel and inadequate space
8. **Lack of extension services:** many farmers, notably the rice growing farmers in Mwea as well as farmers in Tharaka Nithi require agricultural extension services but these are lacking.

VIII. Committee Recommendations

Having considered the above matters, the committee came up with three priority areas that need to be urgently addressed; namely, **Water, Roads and Basic Social Services (Health and Education).**

a. Policy Recommendations

1. That, all Ministries and state departments in liaison with the departmental committees of the National Assembly should review all stalled projects in their various dockets and prioritize these for completion over the medium term.
2. That, the last mile connectivity programme should be intensified to ensure all public institutions are connected to power as well as individual households. This will greatly benefit the community.
3. That, a performance audit of the MES equipment be carried out to ensure value for money.
4. That, the National government should improve on policy with regard to agricultural extension services and ensure that all counties are offering these services.
5. That, the public hearings on the National budget should be done after the Budget Review and Outlook Paper (BRPOP) has been submitted to Parliament so that the projects arising from public consultations are included in the Budget before the Budget Policy Statement is finalized.
6. That, the National Treasury should set aside emergency funds for emergency infrastructure rehabilitation that may be required in the course of the year as has been the case with the recent flooding.

b. Financial Recommendations

7. That, to address the water needs, the following allocations be made:

(i) Kajiado County:

Kajiado East- **Kshs. 15 million** and Kajiado South- **Kshs. 20 million**, for water pans for holding flood waters to be used for irrigation of pasture and drinking water for animals.

(ii) Marsabit County:

Drilling of boreholes and earth dams for water to be used for irrigation, drinking water for animals and other domestic use - Kshs. 20 million per constituency. Total amount **Kshs. 80 million**.

(iii) West Pokot County:

Feasibility, design and compensation of land of the Kaprom Dam – **Kshs. 100 million**

8. That, improvement of Roads infrastructure is an urgent and critical need. Cognizant of the fact that long term tarmacking of roads will take time, the committee has set aside funds for the following counties for the development of all-weather roads to be distributed in the following manner:

i. Nairobi County:

Riruta- Dagoretti- Kawangware Road C63- **Kshs. 60 million**

ii. Nakuru County:

Rehabilitation of Road to DCC office- **Kshs. 15 million**

Rehabilitation of roads in Nakuru East- (**Kshs. 10 million**),

Rehabilitation of roads in Bahati Constituency (**Kshs. 10 million**),

Rehabilitation of roads Naivasha Constituency (**Kshs. 10 million**) and

Rehabilitation of roads in Gilgil constituency (**Kshs. 10 million**).

iii. Bungoma County:

The county be given Kshs. 100 million for repairs of the following roads:

Turbo – Naitiri- Sikhendu road C44-the roads covers three constituencies that is Turbo, Tongaren and Kiminini

Construction and completion of Kimilili- Kapkosokon/Mt elgon road

Suma- Endebess – Saboti – Kiminini- Ndaru- Brigadier-Turbo- Nandi Hills Road
Mayanja- Matewa Road

Construction of Emia road in Kopsiro area to help in movement of agricultural goods

Construction of Musikoma- Nambale –Busia Road

iv. Nyamira County:

Rehabilitation of various roads (upgrading 100 km) in:

Borabu constituency– **Kshs. 10 Million**

KitutuMasaba constituency – **Kshs. 10 Million**

North Mugirango Constituency – **Kshs. 10 million**

West Mugirango constituency – **Kshs. 10 Million**

v. Migori County:

Rehabilitation of various roads and construction of box culverts in:

Suna East Constituency – **Kshs. 20 million**

Suna West Constituency – **Kshs. 15 million**

Uriri Constituency- **Kshs. 10 million**

Nyatike Constituency- **Kshs. 15 million**
Kuria West Constituency- **Kshs. 10 million**
Kuria East Constituency- **Kshs. 15 million**
Awendo Constituency- **Kshs. 15 million**
Rongo Constituency – **Kshs. 10 million**

vi. Mombasa County:

Aldina – Mikanjuni road: connects two wards in Jomvu that is Mikindani ward and JomvuKuu ward (3km road stretch). **Total amount Kshs. 15 million**

vii. Tharaka Nithi County:

Rehabilitation of various roads in:
Maara constituency- **Kshs. 10 million**
Tharaka constituency – **Kshs. 10 million**

viii. Kirinyaga County:

Rehabilitation of various roads in:
Mwea Constituency – **Kshs. 15 million**
Kirinyaga Central Constituency – **Kshs. 5 million**
Ndia Constituency– **Kshs. 5 million**
Gichugu Constituency – **Kshs. 15 million**

9. That, to improve street lighting in the counties that expressed critical need, the following allocations be made:

(i) Nairobi County:

Street lights – Ebalezi- Karinde(Karen) – Gitiba- Mutuini **Kshs. 5 million**
Street lights in Embakasi Central, Embakasi North, Embakasi West and Mathare constituencies – **Kshs. 15 million**

(ii) Mombasa County:

Installation of street lights on roads in Changamwe – **Kshs. 5 million**

10. That, funds be allocated for bridges and be distributed in the following manner:

(i) Makueni County:

Thwake Bridge – Amount **Kshs. 150 million** for Completion

(ii) Kajiado County:

Oleusuyea – Kona Baridi Bridge- **Kshs. 100 million**

11. That, to improve basic infrastructure in public schools, the following allocations be made:

(i) Nakuru County:

Reconstruction of Solai School – **Kshs. 20 million**

(ii) Tharaka Nithi County:

Construction of classrooms in Kamutuandu primary school- **Kshs. 10 million**

(iii) Kirinyaga County:

Upgrading of St. Augustine Mwea Boys High school – **Ksh. 10 million**

12. That, **Ksh. 20 million** be allocated to the Coast General Hospital, Mombasa County for reconstruction of the drugs rehabilitation centre.

13. That, **Ksh. 70 million** be set aside for the construction of a social innovation centre, Tharaka Nithi County.

14. That, Ksh. 20 million be set aside for fencing of the Kapenguria Museum to protect our national heritage for future generations.

In addition, the committee notes that there were some submissions from counties that did not host public hearing centres such as Kwale, Baringo, Meru, Busia counties among others. In addition, the committee received written memoranda from members of the public with a number of proposals. Some of the critical needs highlighted from counties not hosting public hearings as well as through written memoranda include the following:

i) Kwale county:

Rehabilitation of Madibwani Primary, Kinango constituency

Rehabilitation of Dzuho Ra Mawe primary school, Kinango constituency

ii) Meru county:

Rehabilitation of various roads notably in Imenti south constituency

iii) Busia county:

Construction of Nambale- Busibwabo-Mundika-Mayenje- Busia Road. The road covers Nambale and Matayos constituencies

Due to the limited resources and various competing needs, these projects will be prioritized in the next budget cycle.

IX. Acknowledgments

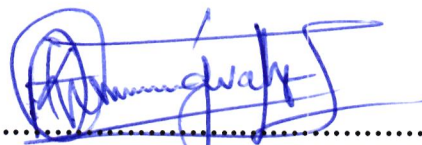
The Committee is grateful to the office of the governors and the county commissioners in the various counties where the public hearings were carried out for having found time within their busy schedule to host the Budget Committee delegations as they paid a courtesy call to their offices.

The Committee would also like to extend its gratitude to the various Level 5 hospitals that hosted the Budget Committee delegation and took them on a guided tour of the facilities including a review of the Managed Equipment Services; and to the Kenya Industrial Research and Development Institute (KIRDI) for hosting the Budget and Appropriations Committee in its facilities.

The Committee is also grateful to the public for having turned up in large numbers to take part in the public hearings as well as those who took their time to send written memoranda to Parliament; and to the Members of Parliament who, though not members of the Budget and Appropriations Committee, took time out of the busy schedules to attend the public hearings on the National Budget.

Lastly, the Committee would like to thank the Office of the Speaker of the National Assembly, the Office of the Clerk of the National Assembly and the Parliamentary Budget Office for the steadfast support received as it discharged its mandate of conducting public consultations on the proposed budget estimates 2018/2019.

It is therefore my humble duty and privilege, on behalf of the Budget and Appropriations Committee, to table the Report on the Public Hearings on the National Budget for FY 2018/2019 and recommend it to the House for adoption.



Signed:

Hon. Kimani Ichung'wah, M.P.
Chairperson, the Budget and Appropriations Committee

Date:

