

SIAYA COUNTY ASSEMBLY

OFFICIAL REPORT

First County Assembly- Third Session

Thursday, 19th March, 2015

The House met at the County Assembly Chambers at 2.30 p.m.

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

PRAYERS

COMMUNICATION FROM THE CHAIR

Hon. Speaker: Hon. Members, allow me to communicate to the Assembly that the business we have today is so pertinent and has timelines. Therefore, we have to dispense these Motions as a way of not being time bad. I therefore direct that for us not to lack quorum during the proceedings, the register will not be signed until when we are done with the Bills. This is because we have a tendency where people sign and leave, then we lack quorum and we cannot do justice to this County.

Secondly, the Committee on Implementation will be met tomorrow by the Senate Committee on Implementation. From 9-10 a.m. they will meet the Governor, 10-11 a.m. they will meet our Committee, and from 11-12noon, they will be visiting Bondo University.

Otherwise, I wish you a very interactive debate.

Next Order!

PAPERS

Hon. Odinga: Thank you, Mr. Speaker, Sir. I wish to lay on the Table of the House:-

The Siaya County Supplementary Budget Estimates for the FY 2014/2015.

(Hon. Odinga laid the document on the Table)

Hon. Speaker: Any other? The other one has been laid before?

Hon. Members: Yes. Yes!

Hon. Speaker: Next Order!

NOTICES OF MOTION

ADOPTION OF THE SIAYA COUNTY
SUPPLEMENTARY BUDGET ESTIMATES

FOR THE FY 2014/2015

Hon. Odinga: Mr. Speaker, Sir, I wish to give notice of the following Motions:-

THAT, this House adopts the Report of the Committee of Budget, Appropriation and Finance on the Siaya County Supplementary Budget Estimates for FY 2014/2015, laid on the Table of the House today, Thursday, 19th March, 2015.

ADOPTION OF THE SIAYA COUNTY
FISCAL STRATEGY PAPER

THAT, this House adopts the Report of the Committee of Budget, Appropriation and Finance on the Siaya County Fiscal Strategy Paper, laid on the Table of this House on Wednesday, 18th March, 2015.

ADOPTION OF THE SIAYA COUNTY
MEDIUM TERM DEBT MANAGEMENT STRATEGY PAPER

THAT, this House adopts the Report of the Committee of Budget, Appropriation and Finance on the Siaya County Medium Term Debt Management Strategy Paper, laid on the Table of the House on Wednesday, 18th March, 2015.

Thank you.

STATEMENTS

(Hon. Ombee stood up in his place)

Hon. Speaker: Hon. Member, just take your seat first. Hon. Members, may I remind you once more that the business that comes to the Floor needs to get the approval of the Office of the Clerk or the Office of the Speaker for obvious reasons. This was not brought to my attention. Even the date is not clear. But all the same, I want to allow the Statement to be read, except that I am seeing part of this Statement reading that the Statement is requested from the Chief Officer concerned while we have CECs. So, I will allow you hon. Ombee to ask, but for future, all of us, when we have Statements, we have to give them to the Office of the Clerk to look at their admissibility and the wordings and then be shared with the Speaker. Need be, they should be shared with the House Business Committee before they're brought to the Floor. Otherwise, proceed, Sir.

Hon. Ombee: Thank you, Mr. Speaker, Sir.

AWARE THAT, the 2010 constitution of Kenya principally vests management of forests on County Governments as per the Fourth Schedule Part 2 (10);

FURTHER AWARE THAT, Kenya Forestry Service is a state corporation that deals with management of forest resources in Kenya, and has operational offices in Siaya as well as in the neighboring counties;

COGNIZANT OF THE FACT THAT, the Legal Notice No. 104 published in the Kenya Gazette Supplement No 132 in September, 2012 specifies forest fees and charges applicable in Kenya;

DEEPLY CONCERNED THAT, in particular instances, Kenya Forestry Officers from Kisumu County have evidently charged and collected charcoal levies at questionable rates from traders in Akala Market- Gem Sub County, in Siaya County;

FURTHER CONCERNED THAT, occurrence of such a practice can lead to loss of revenue for Siaya County as well as double charging and exploitation of traders should forestry officers from Siaya County decide to equally levy similar charges on the same subjects;

Mr. Speaker, Sir, I wish to request a Statement from the Chief Officer concerned with forests management in Siaya County on the following specific issues:-

1. How the mandate of Kenya Forestry Services which is a state corporation charged with managing forests in the country relate with that of County Forest Services Management and specifically whether officers from one county are allowed to collect charcoal levies from a different county,
2. The legal notice referred to above only specifies 'Charcoal Movement Permit' at Ksh. 20.00 per bag, however, an official receipt from KFS (No B 1580819 dated 02-02-2015) shows a charge of Ksh.200.00 as 'Charcoal Levy' charged to a trader in Akala Market. Why is there a contradiction on the vote name and the amount?

I rest my case, Mr. Speaker, Sir. Thank you.

Hon. Speaker: Hon. Lolwe, I want to believe you are seeking a Statement from the CEC in charge. I will give that to the Committee of Environment. The reason why sometimes we want to see them in advance is to put them in perspective. As it is, we are not sure whether it belongs to Environment Committee or Trade. But I want to say, because your Statement seeks an answer from the department of forestry, I want to commit it to the Committee of Environment. I also want to advise them to liaise with the Committee of Trade

to get some of these issues around trade so that when they are giving their report, they will have consulted the department of trade as well through the Committee on Trade.

Hon. Awuor: Thank you, Mr. Speaker, Sir. I am on my feet on behalf of the Leader of Majority of this House. Allow me to present the Tentative Business Programme of the Assembly for the week starting on 24th to 26th March, 2015.

S/No.	DAY/DATE/SITTING	BUSINESS OF THE ASSEMBLY
1.	Tuesday, 24 th March, 2015 Afternoon Sitting	<ol style="list-style-type: none"> 1. Report by Committee on Trade, Industry, Labour and Cooperative Development on Statement request by Hon. Elisha Okuku on the high fees and charges levied by the County Government of Siaya to traders and the legal authority for the same. 2. Report by Committee on Roads, Public Works, Transport and Communication on the tendering process by the County Government of Siaya in the FY 2014/2015.
2.	Wednesday, 25 th March, 2015 Morning Sitting	<ol style="list-style-type: none"> 1. Siaya County Loans and Mortgage Fund Bill, 2014 - Second Reading 2. Report on Siaya County Quarterly Financial report for 2014/2015
3.	Wednesday, 25 th March, 2015 Afternoon Sitting	<ol style="list-style-type: none"> 1. Tabling and discussion of the Siaya County Ward Development Fund Bill, 2015 by Chairperson of Committee on Delegated Legislation, Justice and Legal Affairs. 2. Committee of the Whole House – Siaya County Loans and Mortgage Fund Bill, 2014 3. Report by Committee on Agriculture, Livestock and Fisheries on the Task Force

Report on Dominion Farms Ltd as requested by Hon. Elisha Okuku, MCA, Yimbo East Ward.

4 Thursday, 26th March, 2015
Afternoon Sitting

1. Report by Committee on Roads, Public Works, Transport and Communication on mitigation measures being taken by the County Government on the fire outbreaks in the County
2. Report of the Committee on Implementation on unprecedented increase of fees and charges by the County Government of Siaya to traders.

Mr. Speaker, I rest my case. Thank you.

Hon. Speaker: I direct the Table–Office; from now henceforth, make sure that every time there is a Statement or a Resolution from this House, communication is made to the relevant Committee and the relevant Executive departments in good time. The tracking system is your business and ensure that Members get their questions answered within not more than 14 days from the day they are asked.

Next Order!

MOTION

ADOPTION OF THE SIAYA COUNTY SUPPLEMENTARY BUDGET ESTIMATES FOR THE FY 2014/2015

Hon. Odinga: Thank you, Mr. Speaker, Sir. I beg to move the following Motion:- THAT, this House adopts the Siaya County Supplementary Budget Estimates for the FY 2014/2015 laid earlier on the Table of the House today, Thursday, 19th March, 2015.

I request hon. Peter Muhulah to second.

Hon. Muhulah: I second!

(Question proposed)

Hon. Odinga: Thank you, hon. Speaker, Sir. I wish to present before this House; The Report of the Budget, Appropriation and Finance Committee on the Supplementary Budget for the FY 2014/2015. Mr. Speaker, Sir, you can remember that Siaya County, among other

Counties, did contest the issue of budget ceilings which was given by the CRA, and out of that, we have not been able to access 100% of our budget based on the court ruling. This Committee sat down with the Executive and the Assembly and agreed on revising our budget to comply with the ceiling by the CRA.

Mr. Speaker, Sir, the Committee on Budget, Appropriation and Finance was established under Order No. 187 and mandated as follows:-

- 1) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the County Budget
- 2) Discuss and review the estimates and make recommendations to the County Assembly
- 3) Examine the County Fiscal Strategy Paper as presented to the County Assembly
- 4) Examine Bills related to the Budget, including Appropriations Bills
- 5) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

Mr. Speaker, Sir, the Budget, Appropriations and Finance Committee therefore examined and discussed the Siaya County Supplementary Budget Estimates for the Financial Year 2014/2015 and has therefore made recommendations as contained in this report.

In reviewing this Siaya County Supplementary Budget Estimates for the Financial Year 2014/2015, the Committee held five meetings during which a team from the Executive arm of the Government led by the CEC member for Finance as well as from the County Assembly led by the principal finance officer presented the supplementary budget estimates and further gave clarity on specific issues contained in the Siaya County Supplementary Budget Estimates for Financial Year 2014/2015. The recommendations arising from these deliberations are included in this report.

Mr. Speaker, Sir, the Committee extends its gratitude to the office of the controller of budget, Siaya County and all representatives from the Executive arm of the County Government who appeared before it. The Committee is also particularly grateful to the offices of Siaya County Assembly Speaker, the Siaya County Assembly Clerk for the support received as it discharged its mandate in examining the Siaya County Supplementary Budget Estimates for the Financial Year 2014/2015.

Compliance of the 2014/2015 Supplementary Budget Estimates with the CRA Ceiling Requirements.

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Mr. Speaker, Sir, following the recent ruling of the Kenya High Court on Friday, 20th February, 2015, that all county governments countrywide comply with the Commission of Revenue Allocation's ceiling requirement, and given that this requirement was introduced after the approval of the 2014/2015 budget estimates, this Supplementary Budget has been prepared to ensure that the County Government of Siaya complies with the above ceiling. As a result, Mr. Speaker, Sir, the County Assembly of Siaya has prepared a complying supplementary budget of Ksh 363,760,947 for total recurrent. However, it should be noted that the CRA provides for some expenditure items which are not within the ceiling.

Therefore, in preparing the budget, the County Assembly budgeted for the following as over and above the ceiling requirement;

- i) Car loan and mortgage for the Members of the County Assembly and the staff.
- ii) Ward operation expenses for all the 30 Wards of Siaya County.
- iii) Gratuity for the Members of the County Assembly.

On the other hand, Mr. Speaker, Sir, the County Executive arm has prepared a complying supplementary budget of Kshs. 2,740,257,586.

Highlights of the 2014/2015 Supplementary Budget Estimates

i. The County Assembly of Siaya

Mr. Speaker, Sir, in complying with the CRA ceiling requirements, the total budget for the County Assembly can be summarized as follows;

	Approved Budget	Supplementary Budget	Revised estimates
Recurrent estimates	773,845,300	(223,124,353)	550,720,947
Development estimates	<u>94,000,000</u>	<u>90,000,000</u>	<u>184,000,000</u>
TOTAL ESTIMATES	867,845,300	<u>(133,124,353)</u>	<u>734,720,947</u>

Mr. Speaker, Sir, the expenditure items which have been budgeted and are not part of the CRA ceiling are as follows;

- | | | |
|------|-------------------------|---------------------------|
| i) | Car loan and Mortgage | 125,000,000 |
| ii) | Ward operation expenses | 46,860,000 |
| iii) | Gratuity for MCAs | <u>15,100,000</u> |
| | | <u>186,960,000</u> |

Mr. Speaker, Sir, the reduction of Ksh 203,124,353 are to be spent as follows;

- | | | |
|-----|---|-------------|
| i) | Surrendered to the County Executive for other proposals | 108,000,000 |
| ii) | Siaya County Public Service Board Office refurbishment | 2,500,000 |

iii)	Proposed construction of Ward offices @ 2 million per Ward	60,000,000
iv)	Proposed Assembly Complex	10,000,000
v)	Other operations	<u>22,624,353</u>
		<u>203,124,353</u>

Mr. Speaker, Sir, I also want to share with you that we had an informal meeting where we discussed and there are some amendments which were made by this House and I wish to share with you at the tail end of this report.

ii) Agriculture Sector

Mr. Speaker, Sir, we had budgeted for Ksh 4,300,000 which was initially approved for purchasing harrows, (code-3111103) has been reallocated to purchasing of seeds and fertilizers (code-311399). This is because the county had not been able to access its funds. This has made it impossible to purchase the harrows within time hence need to purchase seeds and fertilizers to aid the farmers during this planting season. Mr. Speaker, Sir, earlier we budgeted for Kshs. 4,300,000 to purchase harrows, which was approved, but now the Executive is proposing that they want to take Kshs. 4,300,000 from harrows, to purchase seeds and fertilizers because they are seeing the time remaining, they might not be able to spend the money.

Then another proposal was that Kshs. 3,300,000 which was initially approved for purchase of trailers (code-3110705) has been reallocated to tractor hire services (code-2210606).

iii) The Trade, Industry and Co-Operatives Development

Mr. Speaker, Sir, out of the budget approved for administration and market services, Kshs. 538,631 has been reallocated to advertising, awareness and public campaign (code-2210504) to facilitate Kenya National Chamber of Commerce which took place on 11th March, 2015.

iv) Education, Youth Affairs, Culture and Social Services

The County Treasury had proposed to reallocate the funds initially approved for the recruitment of ECDE instructors to other expenditure items within the sector. However, the Committee recommends that the Ksh 96,000,000 be spent as was approved on ECDE instructors.

v) Ward Development Expenditure

Mr. Speaker, Sir, earlier, there was a request by the Executive to Members from various Wards that they give changes they feel should be effected in the Ward projects. So, as

at when we were doing the supplementary, according to the Executive, most of the changes proposed by the Members had been effected.

Committee Recommendations

1. There is need for the County to avoid impulse buying and instead set clear priorities upon which the county funds shall be spent.
2. The seeds and fertilizers can be bought for now, but there needs to be a clear guideline on how these will be distributed to ensure equal benefits for the farmers within the county.
3. The CEC member for Agriculture should be able to determine the soil type for each sub-county before deciding on the type of fertilizer to supply in the respective sub-counties.
4. The statutory deductions and other benefits in respect of the former staff of the defunct local authorities should also be factored in the Budget.
5. Given that some expenditure had been executed, there needs to be serious regulation on the expenditures so that the county is not financially grounded before end of the financial year.
6. The county government should take serious measures to allocate more funds for the Siaya County Referral Hospital. This will help improve its condition which the Committee observed is pathetic. Similarly, the government should also ensure that drugs at the Referral Hospital are bought and well stocked so as to ensure quality service delivery at the hospital.

CONCLUSION

Mr. Speaker, Sir, the Committee therefore requests this Assembly to adopt the Siaya County Supplementary Budget Estimates for Financial Year 2014/2015 and further resolve that the proposed recommendations as contained in this Committee Report be adopted.

Mr. Speaker, Sir, as I had alluded earlier, when we were going through the budget during the informal meeting, there was a proposal of a new item which was not proposed by the Executive. This proposal was brought by hon. Elisha, it was seconded by hon. Walter and there was unanimous agreement that the following amendments be executed in 2014/2015 Supplementary Budget.

1. Under **Development Expenditure**; that we add the completion of Got Ramogi Resort at Ksh. 9,000,000.
2. Then he said completion of Siaya Stadium at Ksh. 3,000,000.

3. Under **Recurrent Expenditure**, there was a legal fee, legal matters that was proposed to be Ksh. 38,000,000, this was reduced to 26,000,000. The Ksh 12,000,000, which was reduced from legal, is what took care of the Stadium and the Got Ramogi Resort.

I rest my case. Thank you!

Hon. Speaker: I will ask the Mover to reply. Ooh, just take your seat. Yes, hon.

Agoko!

Hon. Agoko: Thank you, Mr. Speaker. I rise to support the Motion. But, Mr. Speaker, I would wish that this House, under your Chairmanship, should not be taken for granted or for a rubber stamp. Mr. Speaker, when we approve a budget like this, then the implementation should be to the letter. Mr. Speaker, the 2013/2014 financial year's budget has been mutilated in terms of implementation. The budget that we approved here, its implementation does not reflect what was approved. I want to give an example of Sidindi Ward; when you look at the document that is here, we have Ksh. 3,000,000 for street lighting. This has not even been tendered! This money has not been spent! It is indicated even the spots that we should have those street lights, spots that we should have the solar lamps, it is indicated in the document that is before you, Mr. Speaker, but the implementation requires the representatives or the Members of this County Assembly to go and beg!

Mr. Speaker, it is a sad state when we approve such a budget and then in funerals and *barazas*, it said that monies are only taken to places where Members of the County Assembly who are then referred to as wise, go to beg. Mr. Speaker, it is a sad state in this County if Members have to go and beg for the projects approved in the budget within their respective areas to be implemented. Mr. Speaker, I would wish that this House plays its role and ensure that what is approved here---- I rise to second and call for the approval of the same, but there must be strict adherence to the same, Mr. Speaker! We cannot just be seated here as rubber stamps! We approve it then the following day we have to run round the corridors begging that, 'can you do this work in my Ward?' After we have approved like this, the voters down there are only waiting to see these things being done! Not that we stop doing our work here in the Assembly and run along the corridors looking for the people to do the work in our Wards. Mr. Speaker, it is a sad state in this County and I wonder if that is what your Chair supports!

Mr. Speaker, you look at the 2013 financial year budget, many things have not been done, yet we have timelines for these things. Mr. Speaker, it is a sad state when something has been done then somebody says the Assembly will be notified. We need to approve! The

reason for approval, Mr. Speaker, is to get this information in advance, then we look at it, look at the pros and cons of the same then we approve. But if we are to be a rubber stamp on the same, it is a sad state. Thank you.

Hon. Speaker: Thank you. May I just say that my Chair does not support. Instead, I wonder if that is what the Committees of this House support. Any time a Member has implementation not being done properly, they should bring Statements to this House and they be forwarded to the relevant Committees and those Committees will liaise with the relevant departments of the Executive and then they are handled here. That is the best way to do it.

Yes, Hon. Andiego!

Hon. Andiego: Thank you, Mr. Speaker. I rise to support this document and I just want to add my voice to what hon. Agoko has just said. Mr. Speaker, all of us have responsibilities. My biggest responsibility is to represent my people in this Assembly, make laws and do oversight. Mr. Speaker, we have been turned to supervisors of the projects in our Wards. We must follow why projects have not been done and the whereabouts of contractors, while there are people in offices who are getting big salaries! Those people employed as engineers should take their responsibility. Mr. Speaker, it is sad that we are now passing the 2014/2015 budget yet even many of the projects in the 2013/2014 budget have never kicked off! We wonder where the money is and when you move to various offices, you don't get concrete answers to these projects.

Mr. Speaker, we have a lot of work to do and if we are added some work which we are not even paid for, we feel so bad, because for me to move from one project to another, I use fuel, I use energy, and sometimes, moving from one office to another is also not easy. So, we are requesting that, I don't know who can take over this, but if it is our Committees, then we need to do something because it is not easy.

In my Ward, as we speak, Mr. Speaker, regarding sports, we have the goals posts which were to be placed in some of my schools. The contractor I was given does not even pick my phone calls. They went to the schools, made very big pits and as a result of that, many pupils have broken their legs. Who takes responsibility for this? It is us! The community blames us! Not even those who dug those pits!

Again, when you go to some areas, Mr. Speaker, the conditions are worse! There is no hope! A year ago, we told people that we will bring them water, up to now there is no water in that place and every now and then when we go down there, we say, 'we gave you Ksh. 2,000,000, we gave you Ksh. 1,000,000 for the water'. Somebody is sleeping on his job and

it is this Assembly that should show such like people the door so that people can know what they are supposed to do. Thank you, Mr. Speaker.

Hon. Speaker: Hon. Members, allow me just to say this so that we don't become repetitive on the same matter. We have a duty as elected Members to represent our Wards, to ascertain the levels of development. When that is not happening, don't follow contractors! You risk even being maligned. Come to this House, raise the matter and let the relevant Committee pick it up. We even revised our Standing Orders; we can invite these people here. What I can undertake as the Chair is that I will ensure that we have regular meetings with the CECs, whether formally or informally so that we get these updates, because I don't want again similar contributions. It is a frustration that we are facing and we will deal with it. You must be the people to deal with it first.

Yes, Hon. Booker.

Hon. Minami: Thank you, Mr. Speaker, for giving me this opportunity to contribute on this matter. First of all, I support the Motion, and by supporting the Motion I want to state that as a County we are really much behind in terms of implementation. Mr. Speaker, I want to give you an example of Vihiga County which is our next door neighbour. I happen to come from a Ward which neighbours Vihiga County, and in that County, projects are running throughout the year, you'll never find a time when the County is quiet in terms of project implementation. Mr. Speaker, this has really brought us to loggerheads with the people we represent. Those of us who border Vihiga and Kakamega Counties, hon. K'awuor will tell you, Mr. Speaker, those Counties are implementing development projects. Siaya County is dormant. We don't know the main reason why it's dormant.

Mr. Speaker, it has been said that we have projects that were supposed to be implemented in the FY 2013/2014 and up to now as we are talking in this House; some of those projects have never been implemented. Who is supposed to implement the projects? Is it the Members of this House or the Executive? Mr. Speaker, this is why sometimes when we raise questions you will hear somebody saying, and I want to quote in Dholuo, "*Atiyo to iludha. Itiyo ang'o?*"

(Laughter)

Hon. Speaker: That's also a quote?

(Laughter)

Hon. Minami: Yes

Hon. Speaker: Proceed!

Hon. Minami: That is why some of us have come with a new quote, “*Anindo to iludha.*”

(Laughter)

Mr. Speaker, Sir, sorry for those quotes. Those quotes are very familiar in this County. Mr. Speaker, there is no way that just drilling a borehole at a cost of Ksh. 1million can take you three years! I wonder. And if there are no contractors in this County, why can't they ask us to give them contractors who can do those works? Like the budget of 2014/15, not even a single cent has been spent in this County and somebody cannot claim that they were waiting for this supplementary budget. The budget has always been implemented throughout, where is the problem?

Mr. Speaker, Members of this House, especially those who are elected by their constituents should come to terms with the fact that it doesn't matter how close, how many times you sleep with the big man in the big house. What will matter at the end of the day is how many projects you've implemented to your people by the end of every financial year. It will not matter how many times you will report Members of this House to the Governor that so and so said this when even in your Ward, projects have stalled for two years! You are doing a disservice to the people who elected you!

(Applause)

And Mr. Speaker, I am standing here without fearing anybody to state very clearly that the Executive side of the County Government of Siaya has really failed the people of Siaya in terms of project implementation. And as an Assembly we cannot continue sitting here, I'm repeating that phrase of, “*atiyo to iludha.*” It is not there! It is, “*anindo to iludha.*” That one is there.

Mr. Speaker, we have seen instances here where Members have raised questions on undone projects in their Wards. The other day, a report by the Committee of Roads and Public Works was rejected in this House where two Members had sought to know the status of undone projects. After having met the CEC, that Committee did not take time to go and see for themselves the exact projects that were being said. Mr. Speaker, if this Assembly cannot support these MCAs or these Committees in doing their oversight, then implementation may be difficult to achieve. When a question has been brought here, it is very important that these Committees go out and see for themselves if indeed the projects being talked about have been done. That is where we are failing as a House. One of our major roles

is oversight, and we cannot be friends with members of the Executive when we are discharging such a function. Whether that Executive member comes from your Ward, that one should not stop you from doing what you are supposed to do the right way.

Many reports have been rejected in this House. Most of the reports have been coming from the CECs when they meet Committees, they bring a report here and its being said that what is on the ground is totally different. That means that those CECs have been playing games with Members of the Committees. I think they have realized that these Committees don't have the resources to go out and check those projects. So, I don't know if in this budget we have enough resources for these Committees to do their oversight role because we can't perform our work as required by the law if we cannot go out. Mr. Speaker, you see other Assemblies moving out to check projects, and here in this Assembly, it has reached a time when you are told to use your own personal vehicles. I don't know if we have enough resources in this supplementary because the phase that we are now going onto is a phase where a lot of implementation is going to take place and Committees will be charged to make sure that whatever is being done is per the budget that we passed here.

Finally, this Assembly should come out very clearly and state that if there is anybody who is awarded a tender and the person has shown very clearly that they don't have the capacity or the technical know-how of implementing this project, this House should direct that the tender or that project be stopped and it be awarded to another contractor. A very good example is what hon. Andiego has said here; the person who was given the tender of supplying sports equipment is a very big letdown. That person did not know the scope of work that he was given. That person did not know the technical aspect of the work that he was given and it is very wrong that contracts are given on the basis of I know you, you know me. Let these contracts be given to the people who have the necessary technical qualifications. Thank you.

Hon. Speaker: Yes, Hon. Walter.

Hon. Okello: Thank you, Mr. Speaker, for the opportunity to contribute on this matter. I wish to start by congratulating the Committee on Budget, Appropriation and Finance for the time they took and the labour they put in to bring out a report that is quite comprehensive especially in terms of details. Mr. Speaker, earlier on when we had an informal meeting, the Committee ably took the rest of us through the finer details of the budget and I want to say that it is a report and an outcome worth supporting.

Mr. Speaker, the reason I support this most is because as an Assembly, we are aware of the issue of budget ceilings and how it has hampered the operations of the Assembly in the recent past. And so, Mr. Speaker, this supplementary budget and the report comes as an answer to the challenge that was there. However, as other Members have said, a good budget is only effective as far as its implementation and execution is in tandem with what is on paper. Members have quite adequately outlined areas where the County Government of Siaya has failed to live up to expectations in terms of prudent and timely execution of projects, and Mr. Speaker, I will not go back to that.

Mr. Speaker, in the report, the Chairman rightly said that there's been an element of reallocation of funds from the previous budget. If you look at page 6 on the agriculture sector, the Committee finds that Ksh. 4.3million that initially had been approved for purchase of harrows has been reallocated for the purchase of seeds and fertilizers. Mr. Speaker, I think it is important that as an Assembly, we put our feet down so that there is proper consultation on matters that involve reallocation of funds especially because Members of this Assembly are on the ground daily and would know what is important, timely and right. Right now people have ploughed and some are already planting. Actually the rains have delayed, if you look at it in the lay man's terms. So, Mr. Speaker, I wonder that the seeds that are yet to be purchased, we know the tedious process of procurement, just as it has been explained by Members that since 2013 there are certain elements of procurement that are still on. Mr. Speaker, I don't know if it is the same procurement procedures that we are going to follow now in purchasing these seeds and fertilizers. And if that is the same, then I don't know when these seeds and fertilizers will arrive in Siaya County for farmers to be able to use them effectively. So, Mr. Speaker, I wonder if it was really wise for the County Government to decide on this kind of reallocation, especially without the consultation of Members. The same applies to the Ksh. 538,000 that was apparently used for advertisement of the Kenya National Chamber of Commerce event that took place. Mr. Speaker, this points out to a failure on the part of the Executive to foresee these kinds of important events. These are calendar events! So, Mr. Speaker, to wait until this calendar event reaches and then you want to do a reallocation of monies from other votes, Mr. Speaker, I think that is really haphazard and not the way a County Government can be run in terms of budget and expenditure.

It would also be important to note that the Executive is already deciding, as we can see on the report, to reallocate the monies that had been allocated for recruitment of ECDE instructors. Mr. Speaker, the employment of ECDE teachers is a matter that is before a court

of law. I would really wonder the rationale that the County Government used to reallocate this money because as someone who represents the youth of Siaya County, I know the kind of anticipation that young people in this County have on determination of the element on recruitment of ECDE instructors. So, Mr. Speaker, these are the kind of monies that we hope will be left to stay put as they are so that once the courts determine that the County can go ahead and employ ECDE teachers all over the County, then we will not have a case where the courts have given us the go ahead to employ and then then County Government had in its own wisdom, or lack of it, as manifest in this case here, decided to reallocate this money. So, I congratulate the Committee for recommending right there that the Ksh. 96 million be spent as was approved initially for the recruitment of instructors. They deserve an applaud for that.

Mr. Speaker, finally, I want to congratulate the team because we have seen a significant amount of money being allocated to the health sector. All of us who've interacted with the Siaya County Referral Hospital know the kind of mess that has been going on down there. So, for the County Government in liaison with County Assembly Committee to allocate some Ksh. 35million or thereabouts to the Siaya County Referral Hospital, Mr. Speaker, that is prudent and will really go forward in helping our County in terms of healthcare.

Finally, Mr. Speaker, I want to help the Member who talked last, hon. Booker, about issues of facilitation of Committees to do their work. I believe that the Committee adequately explained to us that within the budget there's a certain vote about operations and other operations of the Assembly which can adequately take care of interests and functions of the Assembly in terms of oversight so that the people of Siaya County would appreciate what this Assembly is doing for them.

Thank you, Mr. Speaker, let us support this and stand firm that it is adhered to in letter and spirit. Thank you!

(Applause)

Hon. Speaker: Hon. Rosemary.

Hon. Ogotu: Thank you, Mr. Speaker, Sir. I rise to support this Motion with the amendments which were made here on the Floor. The amendments of Got Ramogi Resort- the tourists attraction centre and the amendment of Siaya County Stadium with modern toilets and bathrooms. So, I support.

Mr. Speaker, Sir, I'll be very brief because most of the things have been said. I happen to go round with the Committee on Implementation and sometimes I really sympathize with my brothers and sister who were elected in the Wards, though in the long run all of us will bear responsibility. It's very sad. Most of the projects are not done. Though you've always told us, Mr. Speaker, Sir, that it is not the mandate of the Implementation Committee to go out because we sometimes turn to be auditors and engineers, and that is not our work. But now you have advised that the Statements be brought to this House and then they be referred to a Committee, the Committee looks for the CEC of the said department, talks to him/her, do a report to the House and a resolution is passed. But now, where do these resolutions go to? Has the Executive ever adhered to any of these resolutions? And what are the measures we are supposed to take as Members of this Assembly? All these CECs have got big vehicles, the prados which they are supposed to go round with and see what is happening on the ground, not just going to Siaya and back to their homes.

So, as Members of this County Assembly, in fact we are running out of patience! Because, what will our colleagues point out! I even went to hon. Andiego's Ward where a classroom is sagging! And you want our children to learn in such classrooms! The CEC for education, what initiative has he taken? Or we have not brought a Statement to this House? After Statement, resolution, after resolution where does it go to? I hope we are in a learning process, Mr. Speaker, Sir. Tomorrow we are meeting with the Implementation Committee from the Senate; I think they will advise us further on what steps and initiatives we are supposed to take in this House. Thank you, Mr. Speaker, Sir.

Hon. Speaker: Hon. Were.

Hon. Were: Thank you, Mr. Speaker, Sir. I've looked at the report that has been presented here, the Siaya County Supplementary Budget Estimates for the financial year 14/15, page 6---

Hon. Awuor: Point of order, Mr. Speaker!

Hon. Speaker: Yes, Hon. Awuor.

Hon. Awuor: Mr. Speaker, I'm seeing somebody speaking before this House, I don't know whether he is a Member of this House or not.

(Laughter)

(Applause)

Hon. Speaker: Is it about the dress code or whether or not he is a Member of this House?

Hon. Awuor: The person who was speaking is naked!

(Laughter)

Hon. Speaker: Well, I have not seen a naked MCA, but I can see that he is not properly dressed.

Hon. Awuor: That's it, Mr. Speaker, Sir!

(Laughter)

Hon. Speaker: Hon. Were, too bad! Would you just go and dress properly.

(Hon. Were walked out of the House)

(Laughter)

(Applause)

Hon. Muhulah: Thank you, Mr. Speaker. Owing to the fact that we still have three Motions, if you would allow, I wish I could call upon the Mover to reply.

(Loud consultations)

(Hon. Were walked into the House dressed properly)

(Laughter)

(Applause)

(Hon. Were stood up in his place)

(Applause)

Hon. Speaker: Hon. Were, if we were all to do that, then it means that at some point this House will be closed. I want to be lenient with you for the last time. Finish your contribution and then the Mover be called upon to reply.

(Laughter)

Hon. Were: I was a bit concerned. I had talked about page 6 and I was a bit uneasy with the language used. Go to page 6, I read, "Mr. Speaker, Sir, the reduction of Kshs. 203,124,353 are to be spent as follows; (i) surrendered to the County Executive." I was a bit uneasy with the language used. You know, when you talk about surrender, it is something that is done under duress.

The other thing I wanted to talk about is; I'm concerned when I look at the money that has been left to the County Executive to utilize in operations, which is to the tune of Kshs. 10 million. I am a bit concerned because the health system is collapsing and it is good enough that the County Referral Hospital has been given Kshs. 35million for its uplift. I just wanted to inform the House that the other day, as the vice Chairman of the Health sectoral Committee; I had a call from somewhere where a patient was complaining that they are not able to get emergency services at Yala Sub District Hospital. The x-ray machine in the facility broke down a year ago and no effort has been put in place to repair the machine. Yala Sub District Hospital services a very big area and it's on the busy Kisumu-Busia road where several accidents have occurred and patients are not able to get x-ray services. So, the issue I was coming up with, as much as the MCA representing Yala Ward was interruptive-----

(Laughter)

I don't know whether that is the best representation he could give for his place-----

(Laughter)

Hon. Speaker: Hon. Uzima Were, can you focus on the debate!

(Laughter)

Hon. Awuor: Let him withdraw!

(Laughter)

Hon. Were: Alright! Thank you, Mr. Speaker, Sir. The money that is needed to repair the machine is not much money. I would request this House that as we allow the Executive to utilize Kshs. 10 million for operations, it will be better even if we get Kshs. 2million for Yala Sub District Hospital to repair the machine. Thank you.

(Several Hon. Members stood up in their places)

Hon. Speaker: We said the Mover to reply!

Hon. Were: I would propose, because this is an amendment, I don't know if that is the right direction because we want to get Kshs. 2million from the Kshs.10million---

Hon. Speaker: Hon. Members, allow me not to let us go that route. That is why I asked you to have an informal meeting. If we take that route, I can tell you for sure, everybody here will propose that money be taken to a certain project.

Hon. Awuor: Mr. Speaker, just for record purposes. In our informal meeting, the issues which have been raised by the Hon. Were, because he was not there, I raised-----

Hon. Members: Yes!

Hon. Awuor: But because the financial year 2015/2016 is just around the corner, the whole House agreed that we are going to get good money for that service.

(Applause)

So, I just want to----

Hon. Speaker: So, hon. Were, is very right?

Hon. Awuor: Yes, but he was absent!

Hon. Speaker: Ok. Thank you. The Mover, will you reply please?

Hon. Odinga: Thank you, Mr. Speaker, Sir. I want to take this opportunity once again to thank my colleagues for contributing towards this very important document. However, Mr. Speaker, Sir, I need to point out, in fact I would have said this earlier but didn't want to say it because somebody could misconstrue it as meaning that we want to woo Members to support this document. As we were engaging the Executive, we were told that the County Assembly of Siaya, as at now, we only have Kshs. 300,000 to spend. And this includes even salaries. So, Mr. Speaker, Sir, it's against this backdrop that once we approve this budget and it is taken to the relevant authorities, then we would be able to access other funds without difficulty.

There's also an area which was raised by hon. Booker and some Members of Implementation Committee; Mr. Speaker, Sir, I really support that something needs to be done so that once it is approved, it should be implemented to the latter.

There was an issue that hon. Were was uncomfortable with. The words, 'surrender to the County Executive.' Mr. Speaker, Sir, this was not an easy thing. Even the Members of the Assembly, you can remember the genesis, how it has come until a time when we are giving. We are surrendering because it is a court ruling. So, when the court decides, then it means that we are surrendering. That is what the term surrender is all about. Otherwise, it would have been monies budgeted for within the budget of the County Assembly of Siaya.

Otherwise, fellow Members, thank you so much for contributing positively and whoever came a bit late and didn't not get the detailed information, am still available, maybe after this we can share and give details on whatever was discussed at the informal meeting. Thank you!

(Question put and agreed to)

(Applause)

MOTION

**ADOPTION OF THE SIAYA COUNTY
FISCAL STRATEGY PAPER**

Hon. Odinga: Mr. Speaker, Sir, I had given a notice earlier that I would be moving a Motion that this House adopts a Report by Committee on Budget, Appropriations and Finance on the Siaya County Fiscal Strategy paper which was laid on the Table of this House on Wednesday, 18th March, 2015 for adoption. I ask hon. Jared Abayo to second.

Hon. Abayo: Mr. Speaker, I second.

(Question proposed)

Hon. Odinga: Hon. Speaker, Sir, allow me, I believe I will still be within the Standing Orders. Mr. Speaker, Sir, at the Budget and Appropriation Committee, at times we delegate our roles within ourselves. Mr. Speaker, Sir, I want to ask if you will allow, that hon. Abayo takes us through this document and then I will be called upon to reply. If you allow, Mr. Speaker, Sir.

Hon. Speaker: Chairman, according to us it is the Committee report, any of you can present it.

Hon. Abayo: Thank you, Mr. Speaker, Sir. I rise to move this Motion and I believe all Members have a copy of the report. Page 2 has a preface and a membership that is well known to us. Page 3 has the mandate and acknowledgements that we have made. I want to start on page 4:-

1. Mr. Speaker, Sir, the County Fiscal Strategy Paper sets out the broad strategic priorities and policy goals that should guide the county government in preparing its budget for the next financial year and in the medium term. The County Fiscal Strategy Paper is therefore a very important document for policy makers as it facilitates evaluation of the effectiveness of existing policy. It offers policy makers and the county government at large an opportunity to modify its macro-economic parameters and adjust its expenditure and revenue along more suitable lines for accelerating service delivery to the people of Siaya County.

2. Mr. Speaker, Sir, in reviewing the compliance of the 2015 County Fiscal Strategy Paper to the provisions of the Public Finance Management Act, the Committee established

that broadly, the document had adhered to the legal requirements. However, a few omissions were noted. Such as the failure to expressly indicate in the document, how the views of the public and other interested groups were incorporated in the finalization of the document. Mr. Speaker, Members will agree if you look at the CFSP that was presented to us, they have outlined various key stakeholders and their contributions but the members of the public have not been outlined as contained in Section 117 (5) of the constitution. This is despite the general knowledge that the county treasury conducted public participation in all the 30 wards of the county. So despite undertaking the policy has not outlined that they had contributions from the public.

3. Mr. Speaker, Sir, the Committee also observed that even though the county treasury conformed to the legal requirement on the deadline of submission of the CFSP, that was on 28th February, 2015. In future, the county treasury should consider submitting the document much earlier. This will enable the Assembly to have ample time to review the CFSP.

COMMITTEE OBSERVATIONS AND RECOMMENDATIONS ON THE 2015/2016 FISCAL STRATEGY PAPER

Introduction

Mr. Speaker, Sir, this chapter outlines the economic context in which the 2015/16 Medium Term Expenditure Framework budget is prepared providing an overview of the recent economic development and the macro-economic outlook covering the global, regional, domestic environment. It therefore provides a basis on which to prioritize the county economic projections. It similarly outlines the major achievements that the county government had realized over the last MTEF period, the challenges faced over the period and the strategies expected to enable tackling of the challenges as well as the priorities that the county government expects to implement in the 2015/2016 MTEF period.

ECONOMIC ENVIRONMENT AND OUTLOOK

Regional Economic Outlook

Mr. Speaker, Sir, the Committee appreciates that the CFSP concentrated on the economic activities in the Western Africa. The Committee therefore recommends that focus on COMESA and the East African Integration should also be incorporated in the strategic paper and that the economic prospects of the county be aligned to the economic activities which have taken place. We'll all agree that the East African Community has made quite some effort in a way of breaking barriers that may have inhibited development across board.

Mr. Speaker, we are even aware as I highlight, that there is a proposal that even students would go to various countries in this region and pay fees in the same currency. The Committee feels that that particular aspect needs to be elaborated because it has serious impact that we need to talk about.

National Economic Situation

Mr. Speaker, Sir, the national economic situation is clearly explained by this paper. However, the Committee recommends that specification on the foundation upon which to build an economic transformation agenda should be more elaborated in terms of giving specific interventions that have been undertaken by the government. Mr. Speaker, if you look at this area, there is a mention that economic transformation has been realized. The Committee feels that there should be specific examples. If this has been done at the national level, what specifically has been done? That is what we are talking about, a mention of specific interventions that may have transformed the economy of this country and definitely with ripple effect to the county government

County Economic Performance and Prospects

Mr. Speaker, Sir, this area outlined the major achievements in the last Medium Term Expenditure Framework period *vis a vis* the underlying challenges. However, the Committee had a concern that the Ksh 196 million for FY 2014/15 and Ksh 300 million for FY 2013/14 stated as spent on roads may not be representing the actual situation. The Committee is aware that the Ksh 196 million allocated for roads during FY 2014/2015 may not have been spent as the tender awarding process is still on-going. The Committee recommends that there is need for reporting of the number of kilometers done on roads during the FY 2013/2014. That is not mentioned because that is the only way we would be able to read the tangible impact of the whole system. That has not been mentioned in the paper.

Overview of the County Economy

Mr. Speaker, Sir, in this section, the Committee recommends that there is need for clear demonstration on how fishing has contributed to the growth of the county. The growth so far achieved in the fishing industry is not clearly quantified yet this is a significant element of determining effectiveness of such growth. Mr. Speaker, if I may be able to explain, it is clearly stated that fishing is one core area and may have determined the growth of economy of this county, the question that the paper leaves unanswered is in which way. There is need to specify whether it is the tonnage or what the turnover in terms of income is. There is need to quantify that particular achievement.

Growth challenges

Mr. Speaker, Sir, this Committee recommends that though the CFSP did not capture the non-performance of the structural plans, it remains a major challenge hence a strategy should be formulated to improve the county economic development.

Poor Marketing Systems

Mr. Speaker Sir, the Committee recommends that the county government should undertake the establishment of SACCOs and Co-operatives as a policy in order to enhance marketing of fish and fish products and other agricultural produce. This is reinforced by a Motion that had been raised and adopted by this Assembly that required the county government to put in place a County Fishermen SACCO. The Assembly gave the county government 60 days to take up the issue. This may not have been done, Mr. Speaker. This afternoon I have seen a letter informing me and possibly Members of this Assembly that the Executive will be looking at a review of the status and challenges of the cooperative movement in this county. This was a Motion of last year and action is being taken this year.

Strategic Priorities and Policies

Mr. Speaker, Sir, this section outlines the four broad pillars covered by the CFSP. The Committee concurs with pillar No. 1 which intends to improve governance and administration through investment in devolution structures for effective service delivery. This is compared to the pillars in the national policy paper which is a replica of our policy document that we are talking about. The county government has highlighted that priority No. 1 would be how we would be able to improve governance through investing in devolution. The Committee further appreciates that this pillar should actually take top priority because it forms the foundation upon which the other sectors may thrive. This Committee wishes to register, Mr. Speaker, that despite that highlight in the document, there are no tangible proposals in terms of priorities of what needs to be taken. They have even therefore not quoted how much will go in enhancing this. That is a critical gap that this Committee noted.

CFSP Priority's Alignment to 2015 Budget Policy Paper

Mr. Speaker, Sir, this Committee was more pleased with the alignment of the County pillars with the National's 2015 Budget Policy Statement and generally the diagnosis of the Siaya issues are clearly outlined in the CFSP 2015. Ours are 4 pillars; the national government has 5 pillars. The devolution that is number one in our County is number five in the budget policy paper. I think that is for obvious reasons

FISCAL POLICY AND BUDGET FRAMEWORK

Fiscal Structural Reforms

Mr. Speaker, Sir, this section outlines the structural reforms which the CFSP will undertake in the FY 2015/2016. However, the Committee observed that the same reforms were outlined in the FY 2014/15 Medium Term Expenditure Framework period, thus, the Committee recommends that there is need to clearly demonstrate how this will improve the current situation hence enhance the economy of Siaya County.

Mr. Speaker Sir, digitization had been allocated funds in the FY 2014/2015 budget. The same has also been outlined as a target to realize revenue collection in the FY 2015/2016 CFSP hence the Committee recommends that there should be feedback on how far the implementation of the project has gone. Besides the efforts already put in place to implement this project, the Committee recommends that the county government should undertake to benchmark in the counties which have begun implementing this idea so as establish its effectiveness.

2015/16 Budget Framework

Mr. Speaker, Sir, the Strategy Paper only talks on the expected revenue as compared to the revenue in 2014/15. The Committee recommends that there should be a general overview on the performance of the 2014/15 budget and how this is going to affect the 2015/16 budget.

Mr. Speaker, Sir, the Committee observed that the following practices have been taking place without proper regulations;

- i) Selling seeds by the Agriculture department.
- ii) Education department extending bursaries to the universities and colleges students.
- iii) Procurement department classifying projects into small projects and large projects.

The Committee therefore recommends that the above practices need the formulation of regulations by the County Executive and be approved by the County Assembly. On the same note, the CEC Member for Finance should also set regulations on the county wage bill before it is approved by the County Assembly. This should be done in consideration of the economic circumstances and be made on financial year basis.

Revenue projections

Mr. Speaker, Sir, on the revenue projections, the Committee recommends that the County government should outline the plans in place to be used to increase the local revenue collections. This was not clearly outlined in the CFSP.

Expenditure forecasts

Mr. Speaker, Sir, the CFSP forecasts an increase of 1% in the development expenditure and a reduction of the same percentage in the salaries and wages. The Committee is of the view that this target is too low.

MEDIUM TERM EXPENDITURE FRAMEWORK

Mr. Speaker, Sir, in considering the medium term expenditure framework of various sectors, the Committee looked at the various sectors from the following perspectives;

- i) The mandate of the sector.
- ii) The achievements of the sectors over the FY 2014/15.
- iii) The challenges faced by the sectors over the FY 2014/15.
- iv) The priorities for the sectors in the FY 2015/16.
- v) The strategies to achieve the priorities for the sectors in the FY 2015/16.
- vi) The budgetary proposed allocation for the sectors in the FY 2015/16.

Departmental priorities and budget estimates

Mr. Speaker, the Committee was concerned that the CFSP has not outlined any strategy for the County Assembly of Siaya. This, the Committee feels should be presented even as a mention.

Mr. Speaker, Sir, the CFSP has listed so many solutions in some departments with no priorities on how to achieve these targets. Some of the departments with no prioritized strategies include;

- i) Agriculture, Livestock, Fisheries and Irrigation.
- ii) Trade, Industry and Co-operatives development.
- iii) Education, Youth Affairs, Sports and Culture.
- iv) Water, Environment and Natural resources.

Besides, some departments/areas have got no single priority for the 2015/2016 Financial Year and hence no financial allocation. Some of these departments include;

- i) Governance.
- ii) The Public Service Board.
- iii) Disaster mitigation and management.
- iv) Infrastructure improvement.

Furthermore, on the sectors/departments given the proposed estimates, the allocation is lumped together with no specifications on the individual projects each sector plans to implement in the Financial Year 2015/2016.

Health

Mr. Speaker, Sir, based on the fact that all revenues are banked directly to the County Revenue Fund Account, this Committee recommends that the county government should adopt as a policy, a framework that will enable the health facilities to retain 20% of their appropriations in aid based on the report of the Ad-Hoc Committee on Health that was adopted by this Assembly in August, 2014. Given the importance of this sector in the economic development of the county, this retention would help in ensuring procurements during emergencies.

ICT, Tourism and Wildlife

Mr. Speaker, Sir, the Committee recognizes the importance of the ICT in the development of the county's economy. However, the Committee observed that this sector has consistently been under-funded in the previous Financial Years. The Committee therefore recommends that more funds should be allocated to this sector in the FY 2015/2016 so as to enable effective promotion of tourism in the county, development of ICT infrastructure and engagement of more technical staff.

Lands, Physical Planning, Survey and Housing

Mr. Speaker, Sir, although the CFSP reports that the valuation roll for Siaya is complete, the Committee observed that this has not been done. This is an extensive process that requires the application of the following Acts;

- i) The Valuation for Rating Act, and
- ii) The Rating Act.

The above constitutional requirement has not been complied with thus what was done to Siaya town was planning. Similarly, the Bondo town valuation roll cannot begin in March 2015 as reported in the paper.

Mr. Speaker, Sir, during the FY 2014/2015, there was an allocation for the Geographical Information System (GIS). The Committee is therefore concerned with what the county government has so far done in establishing this system given that the laboratory equipment and software has been acquired. For proper records and documentation of public land, the Committee recommends that the county government should visit the land offices in Siaya.

The Committee also recommends additional funding for the purchase of more land for development.

Education, Youth Affairs, Sports and Culture

Mr. Speaker, Sir, this section outlines the achievements, challenges and priorities in this sector. However, the Committee observed that some of the sporting equipment is yet to be supplied to the sporting grounds as outlined in the sector's achievement. The Committee also recommends that there should be formulation of a policy that will establish the Sports Fund as recommended in the paper. This will promote the sporting and cultural activities.

Water, Environment and Natural resources

Mr. Speaker, Sir, the core mandate of this sector is to promote, conserve and protect life, environment and improve access to water for sustainable county development. The Committee examined the report on this sector based on its achievements over the previous MTEF period, some of the challenges the sector faced over the same period, strategies of handling these challenges as well as the priorities of the sector over the next MTEF period. Based on this CFSP, this Committee therefore recommends that there should be a plan to extend water from the main water system of Yala-Bondo-Siaya to the other parts of the county.

Governance

Mr. Speaker, Sir, the Committee observed that no priority has been outlined in this sector

Inter-Governmental Relations

Mr. Speaker, Sir, the CFSP also outlined areas touching on inter-governmental relations and therefore are not under the County Government. These areas include;

- i) Security and Peace Building.
- ii) Environmental conservation.
- iii) Enforcement of Laws. The Committee has commended very strongly the establishment of the office of County Attorney
- iv) Disaster Mitigation and Management.

Conclusion

Mr. Speaker Sir, the Committee therefore requests this Assembly to adopt this report and further resolve that the proposed recommendations as contained in this report on the CFSP be adopted.

Thank you

(Applause)

Hon. Speaker: Any contributions? Yes, Hon. Pamela Ngunjiri

Hon. Ngure: Thank you, Mr. Speaker. This is a very impressive and exciting report. Even if I were not to debate further on the matters here, Mr. Speaker, allow me to congratulate the Budget Committee.

(Applause)

The report is very clear; you read it and you sit down and wait for the points raised here to be implemented. Everybody wants to be associated with a Committee that is doing a good job, Mr. Speaker, on a request, would you please ask the Majority Leader and the Whip to include me in the Budget Committee-----

(Laughter)

(Applause)

So that next time we read such a report, people will assume that Pamela Ngure was party to it. I cannot fail to thank this Committee because several times we had some very shallow reports, good but not so much in detail. So, when we get one that is so articulate, we must appreciate. They've been very impressive, very hawk eyed by pointed at every piece of detail. I wasn't really standing to debate but just wanted to congratulate you. Thank you, Mr. Speaker.

(Applause)

Hon. Ndonji: Thank you, Mr. Speaker, Sir. First, I would like to congratulate this Committee for a job well done. Mr. Speaker, Sir, just as hon. Ngure has said, this is a report that everybody would want to be associated with, but me I don't want to be taken to that Committee because the competency that is there needs no challenge. This is what we should be expecting in the Assembly, Mr. Speaker, Sir. This is because they have not come to say the Executive said this and that, they are bringing in what the Executive said and they are also saying what should be done about what the Executive said, trying to correct whatever is wrong. For that reason, I don't see why we should debate a lot about this report, but I would also like to urge the House that when time comes, let us pass this report because I don't see any problems in it. Thank you, Mr. Speaker.

(Applause)

Hon. Gare: Thank, you, Mr. Speaker, Sir. I also want to give a pat at the back to the Committee of Budget and more so the way it has been presented to us by our ‘learned friend’ Abayo K’onyango-----

An hon. Member: Abayo is not a lawyer

Hon. Gare: Abayo is a lawyer! You don’t just know! Let me say this; Mr. Speaker, the Budget Committee has done a good job. Many a times, people wonder why the Committee normally holds its meetings in Kisumu; you can now see what the Committee has been doing in Kisumu.

(Applause)

An hon. Member: They can go again!

Hon. Gare: Mr. Speaker, for the better part of last week we were lacking quorum and some people were attributing this to the fact that the Budget Committee was in Kisumu, you can now see what the Committee was doing in Kisumu, and as we can see, it is nice. Keep it up! Mr. Speaker, I was happy with one or two things; one, is the extension of water line that is coming right from Yala to Bondo. You realise that when the line that was coming from Gobei to Maranda High School was being put, there were no provisions for----- . Meaning there was no provision for extension. The County government should look into it and see how our people will get water if this line starts working.

Mr. Speaker, I am also happy about the issue of disaster mitigation and management. The other day we were bringing reports here of what measures the County government is putting in place so that we see----. We have been seeing a firefighting machine laying here, I don’t know whether it is hidden these days. Our institutions around have been having fire outbreaks and there’s nothing much we can do since the machine is down. Imagine they were still not looking at it! But the Committee has looked at it and recommended that this should be looked into. Mr. Speaker, I don’t think we need to debate further on this Motion but we should just invite the Mover to reply.

(Applause)

Hon. Speaker: There are some two Members who had raised their hands. Hon. Okite

Hon. Okite: Ahsante sana, Bw. Spika, kwa kunipa fursa hii na mimi vilevile niseme machache kuhusu hoja hili. Ningependa kuipongeza kamati hii kwa kuwa wamegusia sekta

zote kama vile; ujenzi, barabara, elimu na afya. Mwenye macho haambiwi tazama! Kwa hivi sasa twaiona, twaisikia na twaizungumzia.

(Applause)

Ningependa kuzihimiza kamati zingine ziweze kufuata njia hii walioifuata wanakamati ya bajeti. Wakifanya hivi, mambo yatakuwa sawa hapa Bungeni. Kwa hivyo, Bw.Spika, ningependa kusema kuwa, kizuri chajiuza kibaya chajitembeza. Kwa hivi sasa, twaiuza kwa sababu ni nzuri.

(Applause)

Ahsante sana, Bw. Spika, ninaiunga mkono

(Applause)

Hon. Speaker: Hon. K'owii, you can pick from there!

(Laughter)

(Applause)

Hon. Owii: Thank you very much, Mr. Speaker, Sir. I want to say that this afternoon I am impressed with the kind of reports that have been presented before this House. Something special is happening about this Committee. Today I am learning that if you want to come up with very good reports, the Speaker should give you a chance to go to Kisumu.

(Applause)

(Laughter)

Mr. Speaker, I am saying this because, the other time you gave us an opportunity to go to Kisumu as an Ad-hoc Committee for Health and for sure what we came up with has been addressed here after quite some time.

I want to say this is a well-researched document, very informative, and I wanted to request, Mr. Speaker, Sir, if you would just allow us to see ways and means of bringing on board the Executive, the implementers. This is because quite a number of things have been addressed here; we can only go that far. But if the implementers are sleeping on their job as it has been said by some Members, then this one will just go into the waste basket. I want to request, very kindly, that we try to emulate the Odinga Committee which appears so special even the way they get treated.

(Laughter)

Mr. Speaker, Sir, the other day we wanted to go out but our request to go to Kisumu was rejected. Then we suggested Pride Hotel which was equally rejected! We wanted to write a report but we were told that we could do it at the Committee level. Aaaaai!

(Laughter)

You can see that kind of treatment can make us come up with a very local report that cannot impress the House.

(Laughter)

I think that one will be given consideration in future.

(Applause)

Thank you very much; Mr. Speaker, Sir, and I want to call upon the Mover, if you allow, to reply. Thank you.

(Laughter)

Hon. Speaker: I will invite the Mover to reply, but I just want correct an impression that the Chair treats the Committee specially. As an Assembly, we do not even have money for Committee meetings, so the Committee prevailed upon the Executive because these really are their documents. So, being in Kisumu was funded by the Executive and not the Assembly. That is just for information sake. Back to you, put money in your Committee operations and talk to CRA not to put ceilings on our operations.

Yes, may the Mover reply!

Hon. Odinga: Thank you, Mr. Speaker, Sir. For sure I want to thank my colleagues. First of all, I would like to thank the budget team that even when they went to Kisumu, the facilitation that is being talked about was just in terms of provision of a hall and meals. In terms of subsistence, they have not been paid even a single cent. So, it is a sacrifice they are making. Mr. Speaker, Sir, when we were going through this document which is also a requirement by the PFM Act, we also engaged both the CEC incharge of finance and the Director of learning and his team. Mr. Speaker, Sir, I don't want to go into details, but just to thank my colleagues for first of all giving us time to go and do this and then for giving us a pat on the back. We want to say thank you so much and may God bless you.

(Question put and agreed to)

MOTION**ADOPTION OF THE SIAYA COUNTY
MEDIUM TERM DEBT MANAGEMENT STRATEGY PAPER**

Hon. Odinga: Once again, Mr. Speaker, Sir, I beg to move a Motion which I had earlier put a notice:-

THAT this House adopts the report of the Committee on Budget, Appropriations and Finance for the Siaya County Medium Debt Management Strategy Paper laid on the Table of the House on Wednesday, 18th March, 2015.

I call upon hon. Nicholas Aneme to second

Hon. Aneme: Mr. Speaker, I rise to second

Hon. Speaker: The register can now move

(Question proposed)

Hon. Odinga: Thank you once again. Hon. Speaker, Sir, I just want to jog your memory that when this Committee was given four or so working days, we had five items to work on. Mr. Speaker, Sir, I also want to donate my time to my able vice Chair. If you allow-

Hon. Speaker: Just be letting the vice-Chair to do it. You don't have to introduce then invite somebody.

Hon. Odinga: Thank you!

Hon. Speaker: Able vice-Chair, will you take it and finish.

(Laughter)

Hon. Muhulah: Thank you, Mr. Speaker. As it has been alluded to by the Chair of Finance, this afternoon we are debating the Medium Term Debt Management Strategy Paper. Mr. Speaker, I may not go through the Paper, I will go to specific areas that informs this House what debt management is.

Mr. Speaker, Sir, the Committee on Budget, Appropriations and Finance was established under Standing Order No. 187 and is mandated to do the following:-

- 6) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget.
- 7) Discuss and review the estimates and make recommendations to the County Assembly.

- 8) Examine the County Fiscal Strategy Paper, as presented to the County Assembly
- 9) Examine Bills related to the budget, including Appropriations Bills
- 10) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

Mr. Speaker, Sir, the Budget, Appropriations and Finance Committee therefore examined and discussed the County Medium Term Debt Management Strategy for 2015/16 – 2016/17 and has made recommendations.

Mr. Speaker, Sir, the debt management should encompass the main financial obligations over which the central government exercises control. In that case, Mr. Speaker, what Siaya County government has at now is not regarded and considered as a debt but as a liability.

Mr. Speaker, Sir, the legal framework upon which the Medium Term Debt Management Strategy Paper will be operationalized are anchored in Sections 58, 107, 140, 141, 142 and 143 of the Public Finance Management Act, 2012 and the same are explicitly captured on page 3, 4, 5 and 6 of the Siaya County Medium Term Debt Management Strategy Paper for 2015/16 – 2017/18.

Mr. Speaker, Sir, the main objectives of the Siaya County Debt Management Strategy Paper for 2015/16 – 2017/18 is to ensure that the County Government of Siaya's financial needs and its payment obligations are met at the lowest possible cost over medium to long term, consist with a prudent degree of risk.

Specifically, Mr. Speaker, Sir, the strategy aims at;

- i) Covering the financing needs and payment obligations while minimizing medium and long term costs.
- ii) Limiting risks in the public debt portfolio by providing an optimal and sustainable composition of the public debt.

Mr. Speaker, Sir, the key assumptions underlining the Siaya County Medium Term Debt Management Strategy Paper for 2015/16 – 2017/18 are;

- i) That the forecasted GDP growth rates will be realized and that the variables such as inflation rates, interest rates among others will remain stable to minimize the cost of debts.
- ii) That the political, social and economic environment will remain favorable during the implementation of the debt strategy.

- iii) That the county government will be provided funds as provided for in law.
- iv) That the national government will guarantee all county government loans.
- v) That the County Government of Siaya will adhere to the strategies contained in the debt management policy document.

Mr. Speaker, Sir, I will deliberately want to jump the debt management strategy and get to the; **Maintenance of Debt at Sustainable and Affordable Levels:-**

Mr. Speaker, Sir, this aspect of aspect of the debt management strategy paper is captured in page 8 of the Siaya County Medium Term Debt Management Strategy Paper for 2015/16 – 2017/18 and the most pertinent policy statements in this section are as follows;

- i) Borrowing must be for the following types of projects:-
 - Investing in the productive capacity of Siaya County.
 - Funding priority core infrastructure and development initiatives.
 - Specific purposes projects identified as high priority in the County CIDP or specific sector plans.

Preference shall be given to projects with high rates of returns or projects such as investing in hospitals or schools that generates a high rate of return and those that will help the County reach the Millennium Development Goals and the Kenyan Vision 2030.

- ii) Borrowing must not be used for:-
 - Funding shortfalls in recurrent expenditure.
 - Funding any form of losses incurred by the county.

Acceptable Sources

Mr. Speaker, Sir, both acceptable and unacceptable funding sources will be prescribed in the yet to be developed County Debt Management Bill. In the meantime, during the period 2015/16 – 2017/18, borrowing will be restricted to concessional sources of finance from multilateral and bilateral donors e.g. African Development Bank and World Bank.

Unacceptable Funding Sources

Mr. Speaker, Sir, in accordance with this debt management policy document, borrowing from the commercial lenders will be explicitly prohibited because they are expensive and they are also prohibited by International Monetary Fund programs.

Mr. Speaker, Sir, the major reasons why they are prohibited are as follows;

- i) Cost – their interest rates are high.
- ii) Interest rate risk – they have variable interest rates which increases the cost of loans.

- iii) Rollover risk – their loans tend to be short term.
- iv) They require assets to be offered to be offered as collateral.
- v) They lack transparency.

Debt Management Advisory Committee

Mr. Speaker, Sir, for purposes of evaluating borrowing proposals, this strategy paper proposes that there shall be a debt management advisory committee which shall be chaired by the Chief Officer in charge of Finance with membership from planning, infrastructure and water docket. The County Treasury will act as the secretariat for the committee and the committee will make recommendations to the CEC member for Finance as to whether borrowing should or should not proceed.

Mr. Speaker, Sir, in conclusion, the Committee therefore requests this Assembly to adopt this report and further resolve that the proposed recommendations as contained in the County Government of Siaya Medium Term Debt Management Strategy for 2015/16 – 2017/18 be adopted.

Thank you, Mr. Speaker.

(Hon. Okello stood up at his place)

Hon. Speaker: Yes, hon. Walter Okello

Hon. Okello: Thank you, Mr. Speaker. I have no objection against the report on debt management, but Mr. Speaker, I would like to point out a concern. Sometimes back, the hon. Agoko, Chair for agriculture, presented a report which had a lot of technicalities, and with your indulgence, Mr. Speaker; we directed hon. Agoko to prepare a forum to enable Members get a grasp of the technicalities in that report. Mr. Speaker, the Committee of Budget has ably taken us through the recommendations having studied the Siaya County Medium Term Debt Management Strategy Paper. Their report is excellent and it's a good summary. However, Mr. Speaker, I would want to put it to you that it would have been of great benefit to the Membership of this House, I know the same paper has been tabled before and Members probably have it as among the many paper documents they have. Mr. Speaker, we will pass this today as really there's no objection to it, but Mr. Speaker, I would put it to you to kindly create a forum so that the members of the Budget Committee, having well understood the contents of Medium Term Debt Management Strategy Paper, to engage the rest of the Members so that we can be on the same page.

The reason for this, Mr. Speaker, is that sometimes Members get themselves in public forums. I in particular, am a member of certain professional forums where people from Siaya County engage a lot and they may want to know beyond the report here. There are certain technicalities, aspects and implications. When you talk about debt and debt being borrowed by the government, we know that that has implications passing over generations. If the County government of Siaya borrows today, it may pay for the next 20 years. Mr. Speaker, it is important that beyond passing this report today, arrangements be made so that Members can adequately and competently understand the contents. When hon. Muhulah talks about acceptable sources of borrowing, what are these sources? What are the examples? And what are the roles of Members in over-sighting the borrowings that the County government is allowed to make? So, Mr. Speaker, with that submission, I support the report.

Hon. Speaker: On that note, I direct the Table-Clerks to pick up that matter and organize for a familiarization session that must also involve the Executive who are the authors of this document. That should happen as soon as possible. Any more contributions? If there are no contributions, I call upon the Mover to reply!

Hon. Odinga: Thank you. Hon. Speaker, Sir, I just want to thank Members and more so hon. Walter for showing concern and interest in knowing in detail the Medium Term Debt Management Strategy Paper. Thank you.

(Question put and agreed to)

ADJOURNMENT

Hon. Speaker: Hon. Members, there being no other business, this House adjourns until next week, Tuesday at 2.30 p.m.

The House rose at 4.48 p.m.