



REPUBLIC OF KENYA

KENYA NATIONAL ASSEMBLY

TENTH PARLIAMENT – FOURTH SESSION

THE DEPARTMENTAL COMMITTEE  
ON  
AGRICULTURE, LIVESTOCK AND COOPERATIVES

REPORT  
ON  
THE EXAMINATION OF FINANCIAL ESTIMATES FOR THE YEAR 2012/2013  
YEAR

FOR  
THE MINISTRIES OF:-

- 1) REGIONAL DEVELOPMENT AUTHORITIES (VOTE 109);
- 2) AGRICULTURE (VOTE 110);
- 3) LIVESTOCK DEVELOPMENT (VOTE 119);
- 4) COOPERATIVE DEVELOPMENT AND MARKETING (VOTE 122);
- 5) FISHERIES DEVELOPMENT (VOTE 156); AND
- 6) STATE FOR THE DEVELOPMENT OF NORTHERN KENYA AND OTHER ARID LANDS (VOTE 158)

PARLIAMENT BUILDINGS  
NAIROBI

MAY, 2012

Paper laid  
by Hon. chepkwony  
on 23/5/2012  
@lumb.

## PREFACE

Mr. Speaker, Sir,

The Departmental Committee on Agriculture, Livestock and Cooperatives is established under Standing Order No. 198. Its mandate pursuant to Standing Order 198(3) is:-

- a) to investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;
- b) to study the programme and policy objectives of the Ministries and departments and the effectiveness of the implementation;
- c) to study and review all legislation referred to it;
- d) to study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with its stated objectives;
- e) to investigate and inquire into all matters relating to the assigned Ministries and Departments as they may deem necessary, and as may be referred to them by the House or a Minister and
- f) to make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.

The Committee comprises the following Members:-

1. The Hon. John M. Mututho, MP (Chairperson)
2. The Hon. Lucas Chepkitony, MP (Vice Chairperson)
3. The Hon. Benson Mbai, MP
4. The Hon. (Dr.) Victor Munyaka, MP
5. The Hon. John D. Pesa, MP
6. The Hon.(Dr.) Erastus Mureithi, HSC, MBS, MP
7. The Hon. (Dr.) Robert Monda, MP
8. The Hon. Evan Akula, MP
9. The Hon. Benjamin Washiali, MP
10. The Hon. Frederick Outa, MP
11. The Hon. (Dr.) Mohammud Sirat, MP

Mr. Speaker, Sir,

The Committee exercise oversight role on the work and administration of the following six Ministries and their departments:-

- 1) Ministry of Agriculture;

This continued underfunding threatens any meaningful effort being made to achieve food security and consequently our continued on expensive imports to address food deficits.

Mr. Speaker, Sir;

The Committee would like to thank all the Ministers and their technical staff for their submissions during the consultative meetings.

The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the support and services extended to the Members to enable the Committee complete the exercise smoothly.

I am grateful for the Members of the Committee whose support enabled the Committee to accomplish this task. Special thanks to the secretariat for their support at all times.

On behalf of the Committee, I now have the honour and pleasure to present this Report on the Examination of the 2012/13 to the House.

Thank You

SIGNED .....



HON. JOHN M. MUTUTHO, MP  
(CHAIRMAN)

DATE.....

22/5/2012.....

wider participation of the public. The views were conducted from 11<sup>th</sup> to 14<sup>th</sup> May, 2012, in a total of seventeen (17) centres, as presented in the Table below.

<b>Region</b>	<b>Venue</b>	<b>Date</b>
1. Machakos	Machakos Municipal Hall	Friday, 11 <sup>th</sup> May, 2012
2. Nyeri	Nyeri Municipal Hall	Friday, 11 <sup>th</sup> May, 2012
3. Nakuru	Nakuru Municipal Hall	Friday, 11 <sup>th</sup> May, 2012
4. Kericho	Kericho County Hall	Friday, 11 <sup>th</sup> May, 2012
5. Kisumu	Kisumu Municipal Hall	Friday, 11 <sup>th</sup> May, 2012
6. Kisii	Kisii Municipal Hall	Friday, 11 <sup>th</sup> May, 2012
7. Kitale	Kitale Municipal Hall	Friday, 11 <sup>th</sup> May, 2012
8. Bungoma	Bungoma Municipal Hall	Friday, 11 <sup>th</sup> May, 2012
9. Malindi	Malindi Municipal Hall	Friday, 11 <sup>th</sup> May, 2012
10. Isiolo	Isiolo Municipal Hall	Friday, 11 <sup>th</sup> May, 2012
11. Meru	Meru Municipal Hall	Saturday, 12 <sup>th</sup> May, 2012
12. Kakamega	Kakamega Municipal Hall	Saturday, 12 <sup>th</sup> May, 2012
13. Wajir	Wajir Municipal Hall	Saturday, 12 <sup>th</sup> May, 2012
14. Nyandarua	Nyahururu Municipal Hall	Monday, 14 <sup>th</sup> May, 2012
15. Voi	Voi Municipal Hall	Monday, 14 <sup>th</sup> May, 2012
16. Lodwar	Lodwar Municipal Hall	Monday, 14 <sup>th</sup> May, 2012
17. Nairobi	County Hall, Parliament Buildings	Monday, 14 <sup>th</sup> May, 2012

07. The views expressed by the public were varied and diverse and reflected what they thought constituted their priorities in the 2012/13 Budget.
08. In respect of agricultural sector, the public raised diverse issues, including the following:-
  - 1) The Kshs. 22.1 billion allocation to Ministry of Agriculture was too little to ensure achievement of food sufficiency in the country; explaining that the Ministry requires adequate financial resources to provide for availability affordable subsidized farm inputs, especially fertilizers and seeds, whose costs were out of reach to most farmers and faced by inefficient distribution network, delays and exploitation by middlemen.



agricultural extension workers to gain leverage in educating farmers to enhance agricultural production through good crop husbandry.

- 9) Enhance funds for intensification of irrigation projects in ASALs, especially in the North Eastern parts of the country to enhance food security in the country.

The public proposed that the government should harmonize the irrigation process for better implementation and monitoring since it is presently being undertaken by a number of Ministries in uncoordinated manner.

- 10) Funds to establish mobile weigh bridges in sugar growing areas to facilitate farm gate weights of sugar cane and prevent farmer losses during transportation to the factories and weights undertaken at factories when farmers are out of reach.
- 11) Allocate more funds to the Ministry of Co-operative Development and Marketing to facilitate farmers' commodity marketing and value addition of produce.
- 12) Thanked the Government through the Ministries of Fisheries Development for the promotion of fish farming through construction of fish ponds in the constituencies under the ESP.

The public explained the benefits arising from creating employment and food security, and proposed that more funds be allocated in the 2012/13 budget to Ministry of Fisheries Development to up-scale the development of fish farming in the effort to reduce poverty and create more employment opportunities.

Introduction of fisheries at the Turkwell multi-purpose Dam was cited as an urgent priority to improve lives of the Turkana people

- 13) The Ministry of Livestock Development be provided with more funds in the 2012/13 budget since livestock is a livelihood of many Kenyans, especially among the pastoralist

### 3.0 EXAMINATION OF BUDGET ESTIMATES WITH MINISTRIES

10. The Departmental Committee on Agriculture, Livestock and Cooperatives met with the six (6) Ministries which it exercises oversight function on the 7<sup>th</sup> -10<sup>th</sup> May 2012. They are:-

- 1) Ministry of Agriculture (**Vote 110**)
- 2) Ministry of Cooperative Development and Marketing (**Vote 122**)
- 3) Ministry of Regional Development Authorities(**Vote 109**)
- 4) Ministry of Livestock Development (**Vote 119**)
- 5) Ministry of Fisheries Development (**Vote 156**)
- 6) Ministry of Development of Northern Kenya and Other Arid Lands (**Vote 158**)

11. The deliberations focused on achievements in the 2011/12 Financial Year, current allocations and whether the current allocations for Financial Year 2012/13 will ensure priority programmes are implemented.

12. The Committee was also keen to know which key priority programs required funding and were however not allocated funds in the 2012/13 estimates.

#### 3.1 MINISTRY OF AGRICULTURE (VOTE 110)

13. The Ministry of Agriculture is mandated to promote and facilitate attainment of food security and increased incomes through enhanced food production and employment creation.

It is further mandated to formulate, implement and monitor policies and legislations, and enhance sustainable use of land resources as a basis for agricultural enterprises.

14. According to the Ministry, the overall goal of the agricultural sector, as envisaged in the Agriculture Sector Development Strategy (ASDS), is to achieve an average growth rate of 7 percent per year over the next 5 years which is above the 6 percent envisaged by Comprehensive African Agriculture Development Programme (CAADP).

In the Development expenditure, it requested Kshs. 51,646,000,000 but was allocated Kshs. 12,573,704,599 with a whopping variance of negative Kshs. 39,072,295,401.

The total deficit in, both the recurrent and development expenditure, stands at negative Kshs. 40,282,858,321.

- 2) The Ministry's recurrent budget has been increased from Kshs. 8,845,508,639 in 2011/12 to Kshs. 9,525,437,080 in 2012/13, reflecting an increase of 679,928,441.

However, the development allocation has decreased from Kshs. 15,980,192,543 in 2011/12 Financial year to Kshs 12,573,704,599 in the 2012/13 year, indicating a decrease by Kshs. 3,406,487,944.

- 3) The following projects and programmes were not funded under the Development **Vote (D110)** as proposed by the Ministry:-

- a) Establishment of seed and fertilizer fund
- b) Establishment of smallholder irrigation schemes
- c) Purchase of Agricultural machinery
- d) Implementation of farm forestry policy (10% tree cover)
- e) Construction of water harvesting structures
- f) Post Harvest crop management (stores and driers) and;
- g) Counterpart funding and on-going programmes

- 4) The Ministry received Kshs 8,664,230,361 in the 2011/12 year and 7,329,859,154 in the 2012/13 year from donors and other development partners. An additional Kshs. 2.384 billion have been negotiated for the next financial year but which have not included in the budget.

19. While considering the printed estimates of the Ministry and the presentations made by the Minister, the Committee noted that:-

- 1) The total allocation to the Ministry is about 1.5% of the country's total budget which is far below the **Maputo Declaration of 2003** that Agriculture should be allocated at least 10% of the total budget. It is therefore unlikely that this

progress in securing food security for itself and achievement of Vision 2030. This needs to be up scaled in order to increase agricultural activity as recommended in the report of Budget Committee on the BPS (April 2012).

20. Consequently, the Committee noted and recommended, as follows:-

- 1) The Committee agrees with the public that the budgetary allocations in the agriculture sector are very low compared to the total budget.

Therefore, adequate funding to the Ministry of Agriculture to-

- improve access to farm inputs, especially cover cost of quality seeds and fertilizer be provided to increase food production in the effort to achieve food security and thwart expensive food importation; and
  - to make provisions for adequate funds to the National Cereals and produce Board to guarantee purchase of maize from farmers during the year, which has also emerged during the public hearings on the budget.
- 2) The Committee proposes that monies be cut from the Kshs. 17 billion to the National Irrigation Board's in the Ministry of Water and Irrigation, and the budgets amounting to Kshs. 17 billion for purchase of 5.7 million bags of maize under the fiscal risk or pending expenditure. These monies be used to implement a pilot study of drip irrigation immediately following the commencement of the financial year in selected irrigated areas in the country.
  - 3) The budgetary allocations for the 2012/13 financial year be provided to cover the costs of on-going flagship projects which the Ministry explained had not or inadequately been funded. These projects have been explained in paragraph 18(3).
  - 4) The projects achieved by the Ministry in the 2011/12 reflected the activities which had been requested and provided in the budget. Therefore, the Committee was satisfied the monies had been used according to the plans.



sectors in the agricultural sector. The monies are to be used to initiate small scale irrigation schemes utilizing the drip irrigation.

- 8) The Committee concurs with the public that prices of DAP fertilizer should not be more than Kshs. 1600 per 50-Kg bag and that of CAN should have a maximum price of Kshs. 1000 per bag, and that small scale farmers should be given farm inputs (fertilizer and seeds) for free.
  - 9) The Government fast tracked the establishment a fertilizer factory to curb high cost of fertilizer as a result of importation as proposed by the public. The Committees notes with concern that plans to construct the factory had been in the domain of the Government for long since 1970's
  - 10) The Committee is concerned that budgetary provisions have not been allocated for the consolidation of the Agricultural sector Acts which have been prepared. In particular, the committee recommends an amount of Kshs. 500 million allocated for patrol boats under the ministry of fisheries to be re-allocated to the implementation of Agriculture livestock Food and Fisheries Authority (ALFFA) in the proposed Agriculture sector Bills.
21. In all, the Committee agreed with Ministry of Agriculture that an amount not exceeding Kshs 9,525,437,080 in the Recurrent Vote (R110) and an amount not exceeding Kshs 12,573,704,599 in the Development Vote (D110) be withdrawn from the Consolidated Fund to finance the programmes and projects of the Ministry.

### 3.2 MINISTRY OF REGIONAL DEVELOPMENT AUTHORITIES (VOTE 109)

22. The development objective of the Ministry is 'to achieve an equitable national socio-economic development through sustainable utilization and management of basin-based resources in an integrated manner by each of the six Regional Development Authorities (RDAs)'.  
23. The RDAs are semi-autonomous government institutions and comprises the following:-



appropriation-in-aid (AIA) and development partners (e.g. ADB, Italy, EDF, BADEA, Spain and GALA).

29. The total budgetary allocations to the Ministry in the 2012/13 year amounting to **Kshs. 6,380.6 million** reflects a reduction of **10.1 percent** compared to **Kshs. 7,127 million** in the 2011/12 year.
30. The Minister justified expenditures in the 2011/2012 year to include completion of feasibility studies and engineering designs in the:-
  - i) High Grand fall multi-purpose Dam project
  - ii) Magwagwa integrated development project
  - iii) Nandi multipurpose Dam project.
31. The Ministry is therefore requesting for funds amounting to **Kshs. 10 billion** being the estimated expenditure to cover cost of compensation and land acquisition, resettlement and initial construction cost in implementing these projects.
32. The Ministry is also requesting from Treasury an amount of **Kshs. 1.4 billion** to finance the feasibility and engineering designs in the following:-
  - i) Mwache river integrated multipurpose Dam project
  - ii) Arror multipurpose dam project
  - iii) Lower Ewaso Nyiro integrated project
  - iv) Olkejuado integrated project
33. The Minister informed the Committee that restructuring of all the RDAs to enhance performance and increase efficiency in resource utilization has been completed and funds are being requested in recurrent expenditure to cater for their salaries and operations.
34. According to the Minister, the priority flagship projects proposed for implementation in the RDAs and especially covering all counties in line with devolution agenda under the Constitution of Kenya (2010) will be adversely affected due to inadequate budgets being allocated.

be cut to Kshs 500million and the balance Kshs. 1.0 billion be re-allocated to Galana irrigation project so that the cost of the proposed project amounts to Kshs 2.0 billion and utilize the drip irrigation.

2) Ewaso Ngiro South Development Authority:-

- Olkiramatian Irrigation Project; planned to irrigate 1000 acres with an output of 18000 metric tonnes of maize and employment to 1,000 people, but which has been allocated **Kshs. 80 million** out of requested budget of **Kshs. 150 million**.

3) Tana and Athi River Development Authority:-

- Implementing Irrigation projects which include:-
  - ✓ Tana Delta Rice Project at Kshs. 767.132 million
  - ✓ Tana Sugar project at Kshs. 369.042 million
  - ✓ Masinga Irrigation Project at Kshs. 50 million
  - ✓ Kibwezi Irrigation Project at Kshs. 48 million
  - ✓ Kiambere Irrigation Project at Kshs. 60 million
  - ✓ Livestock development programme budgeted at Kshs. 40.4 million
  - ✓ Kitui Honey Production and Marketing at Kshs. 9 million

The committee notes with concern that the amount allocated to Masinga and Kibwezi irrigation projects are too low and propose that these allocations be up scaled to **Kshs 250 million** and **Kshs 148million** respectively. This additional funding is to be sourced from the payment of debts by KENGEN amounting to **Kshs 420 million** being owed to TARDA. The committee also proposes that irrigation and livestock programmes being proposed be domiciled to the relevant government ministries i.e. Ministry of Agriculture and Ministry of livestock development

4) Lake Basin Development Authority:-

- Proposal of machineries for enhanced rice and soya beans production, irrigation development for food

41. The Minister therefore appealed to be provided with the funding to implement the projects in the RDAs during the 2012/13 financial year.
42. The Minister stated that the bulk of the allocated budget (**66.5%**) in the recurrent expenditures would be transferred to other government agencies (RDAs) while an estimated **20.1%** would be used for the provision of goods and services at the Ministry.
43. According to the 2012/2013 Budget Policy Statement (BPS), the Ministry has a pending expenditure which listed High Grand Falls multi-purpose dam as a fiscal risk amounting to **Kshs. 10.32 billion**. Allocation to this project is of priority in line with the presidential speech in his address to parliament on 17<sup>th</sup> April, 2012.
44. The Ministry is therefore seeking a gross provision in the Recurrent **Vote (R109)** amounting to **Kshs 819 million** to cover expenditures in the following areas:-
  - 1) An amount of **Kshs 101 million** to meet cost of compensation (staff salaries and allowances) for employees
  - 2) An amount of **Kshs 175 million** to meet cost of goods and services
  - 3) An amount of **Kshs 543 million** as budgetary provision for the six RDAs
  - 4) An amount of **Kshs 10,696,600** as provision for acquisition of capital
45. The Development **Vote (D109)** amounting to **Kshs 5,561 million** which will be made up of **Kshs 3,780,290,700** from the Government of Kenya and the rest, amounting to **Kshs. 1,781 million** from the development partners in form of grants and loans to be utilized in implementing the projects and programmes for the 2012/13 year.
46. Additional funding from the appropriations-in-aid (AIA) amounting to **Kshs. 126,500,000** had also been factored in the 2012/13 development expenditure.
47. In concluding, the Minister raised concerns that:-
  - i) The budgetary provision for recurrent expenditures are high compared to development expenditures

substantial and Ministry should explain for the absorption of this extra allocation in undertaking its projects during the year.

- 4) That, KENGEN pays the debts amounting to Kshs. 13.5 billion (plus accrued interest) due to TARDA and KVDA for use of the latter's asset in hydropower generation and power sales.
- 5) That, the Ministry of Regional Development Authorities to demand annual remittances amounting to Kshs. 420 million and Kshs. 120 million to TARDA and KVDA, respectively, backdated to in 1999 and as agreed between the Ministries of Energy and Regional Development Authorities.
- 6) That, the allocations amounting to Kshs. 10.32 billion being the compensation payable following implementation of the High Grand Falls multi-purpose dam be paid to the Ministry to fast track the project.
- 7) That, adequate budgets be provided as requested by the six RDAs to implement priority food security projects detailed above, which were stated had not been factored in the 2012/13 financial year. These include intensification of irrigation projects in ASALs as proposed by the public.
- 8) That, there is need for coordination of projects being undertaken in the RDAs of the Ministry of Regional Development Authorities and the Ministry of Water and Irrigation to avoid wastage of funds and allow for efficient use.
- 9) That, the Ministry of Regional Development Authorities implements water projects to benefit the local people living around the hydropower dams who have continued to lack water for domestic needs despite the original works providing for the same in the design of the dams.
- 10) That, Treasury releases an amount of Kshs.500 million( instead of 1.4 billion ) to finance the feasibility and engineering designs in the Mwache river integrated multipurpose Dam project, Arror multipurpose dam project, Lower Ewaso Nyiro integrated project and Olkejuado integrated project. The balance of Kshs 900 million to be re-allocated to small

53. An additional **Kshs 695 million** and **Kshs 449 million** was allocated under the Economic Stimulus Package (ESP) and Drought Mitigation Exercise.

54. Among the key achievements by the Ministry during the 2011/12 financial year, were:-

- 1) Identification of land for 13 zonal offices for Coastal Disease Free Zone (**Kshs. 453 million**)
- 2) Construction of a bio-safety level laboratory to support Coastal Disease Free Zone at Kabete (**Kshs. 300 million**)
- 3) Animal Breeding Policy and Bill development (**Kshs. 10 million**)
- 4) Construction of 4 export and 20 local slaughter houses (**Kshs. 500 million**)
- 5) Value addition for milk products (**Kshs. 80 million**)
- 6) Review and development of livestock policies (**Kshs. 80 million**)
- 7) Infrastructure rehabilitation for livestock training institution (**Kshs 500 million**)

55. The Minister further informed the Committee that the Ministry was able to achieve the following under the Economic Recovery Poverty Alleviation and Regional Development:-

- 1) Rehabilitation of selected ranches in ASAL areas e.g. Taita Taveta, Lamu, Tana River (**Kshs 6.1 million**)
- 2) Establishment of feed lots in Isiolo Holding ground (**Kshs 40.5 million**)
- 3) Establishment of strategic feed reserves, improvement of centre in Kajiado and Wajir (**Kshs 36.2 million**)
- 4) Range rehabilitation and reseeding (**Kshs 16 million**)
- 5) Recruitment of technical staff for extension and veterinary services (**Kshs 91 million**)
- 6) Construction of four export slaughter Houses in Garissa, Isiolo, West Pokot and Wajir (**Kshs 217 million**)
- 7) Small slaughter houses in Moyale, Samburu etc (**Kshs 180 million**)
- 8) Establishment of 6 mini tanneries in Wajir among others (**Kshs 75 million**)



Control of Tsetse and Trypanosomiasis to guarantee safety of human beings will also be in jeopardy.

- 2) Improving of clinics laboratories and KEVEVAPI critical to eradicating disease prevalence and improve livestock has been underfunded by Kshs. 177 million. It has been allocated 223 million out of requested 400 million.
- 3) Livestock Production and Extension services has been a budget amounting to Kshs 1,975 million has been allocated to address rangeland reseeding, feed conservation and genetic improvement to raise livestock productivity, among others. The funding for this programme had been requested at Kshs. 2,733 million, reflecting a short fall of Kshs.758 million.
- 4) The budgetary provision for the establishment of the Livestock Restocking and Development Fund has been funded at 50% its requested requirements. It has been allocated Kshs. 500 million against requested Kshs. 1.0 billion.

The committee proposes that Kshs. 1.0billion remains as requested by the Ministry.

60. Therefore the Committee recommends, as follows:-

- 1) That, given that disease prevalence stands in the way of Kenya's ability to export its livestock products, the budgetary provision for the Disease Free Zones (DEF), as a flagship project in the Vision 2030, be enhanced to improve the health and quality of livestock products and to increase revenue for the country accruing from exports of livestock products.

This is in line with the earlier recommendation by the Budget Committee's report on the BPS (April 2012), to the House.

- 2) That, the move to establish Leather Development Council (LDC) was praiseworthy in view of the fact that that the sector had operated without institutional framework to address issues affecting the sector and to help trade in hides and skin

	Requirement 2011/12	Allocation 2011/12	Variance 2011/12	Requirement 2012/13	Allocations 2012/13	Variance 2012/13
Recurrent	3,272	874	-2,398	1,351	1,349	-2
Development	2,497	2,276	-221	3,316	2,688	-628
TOTALS	5,769	3,150	-2,619	4,037	4,037	-630

65. According to the Ministry, a shortfall in the resource requirement versus allocation for 2012/13 as indicated above will negatively impact on key activities and programs whose aim was to ensure economic viability of the fisheries sub sector. This is against the fact that the sector is production oriented and not service oriented.
66. The sector contributes **0.6%** to the GDP, earning the country about **Kshs. 19.2 billion** per annum from ex vessel value of landed fish and **Kshs. 4.2 billion** from export of fish and fisheries products.
67. Fish industry has the capacity to generate an estimated **Kshs. 30 billion** to the exchequer.
68. According to the Ministry, the following areas if well funded would increase the sector's contribution to GDP to **10%** from the current **0.6%** per annum.

#### 1) Directorate of Aquaculture Development

The directorate needs more input of about **Kshs. 16 billion** to increase its output to **100,000MT**. Its current value of production by the directorate is **20,000MT** valued at **Kshs. 5.8 billion**.

This increase will be achieved through up scaling the fish farming programme to cover the whole country by:-

landing and processing marine fishes in Kenya with Kshs. 10 billion with an expected output of Kshs. 50 billion.

#### 4) Directorate of Inland Riverine Fisheries

This directorate is making production of 100,000MT valued at Kshs. 12 billion.

It requires Kshs. 10 billion to continue restocking of lakes, dams and rivers; enhance MCS in the lakes (Victoria, Turkana and Naivasha); fence critical habitats for fish regeneration in the lakes which will increase the output to 150,000MT valued at Kshs. 20 billion per annum.

69. In presenting the estimates for the Financial Year, 2012/2013, the Minister informed the Committee that the Ministry's major programme for the financial year would be aquaculture.
70. The minister further informed the Committee that the Ministry had used Kshs 5.686 billion under the ESP programme for fish farming enterprise in 160 Constituencies country wide which the Government has adopted it as one of the vision 2030 flagship programme.
71. Under the programme, the Minister explained achievement made to include the following:-
  - 1) Sensitized all implementing officers and stakeholders on fish farming practices
  - 2) Conducted a national aquaculture suitability appraisal
  - 3) Constructed over 46,824 fish ponds in 160 constituencies and stocked them with over 38,012,000 fingerlings
  - 4) Developed a fish breeding programme with a holding capacity of over 200,000 brood stock
  - 5) Increased the area under aquaculture from 722ha to 14,076 ha(2% increase)
  - 6) Pioneered aquaculture development in greenhouses to enhance fish growth rates
  - 7) Increased national aquaculture production
  - 8) Increased market value for aquaculture products from Kshs 1billion in 2009 to an estimated Kshs. 5.8 billion by 2012

Development Expenditure be withdrawn from the Consolidated Fund to finance the Ministry of Fisheries Development (Vote 156).

### 3.5 MINISTRY OF COOPERATIVE DEVELOPMENT AND MARKETING (VOTE 122)

74. The Ministry has the mandate to build a vibrant, effective and globally competitive cooperative sector through forging close linkages between the Cooperative Movement and Government line Ministries.
75. On the basis of its priorities, the Ministry submitted a budget of Kshs 2.6 billion. It was however allocated Kshs 1,661 million with Kshs 1,317million earmarked for recurrent and 344 million in development expenditure.
76. This reflects an overall shortfall of Kshs 939 million. The allocation in the Medium Term is expected to reduce to Kshs 1,651 million and increase in 2014/15.
77. The Ministry's has further estimated that it requires to fully mobilize both the human and natural resources for the Cooperative movement.
78. Following the financial gap, the Ministry indicated that it is likely to face challenges in effectively undertaking its priority programmes in the 2012/13 which are based on:
- 1) The need to enhance the Ministry's capacity to enforce compliance with the law, Provide efficient oversight and regulation of cooperatives;
  - 2) Promote good governance, modern business practices and accountability in the management of cooperative institutions
  - 3) Facilitate revival of key cooperative institutions
  - 4) Promote value addition
79. According to the Ministry, there are specific activities which required urgent funding:-
- 1) Staff recruitment



of the BPS (April 2012) noted was valuable in improving access to marketing of farm produce and distribution networks of farm inputs to farmers.

- 2) Support to capacity building activities by the Ministry - **Kshs 200 million**
  - 3) Support to revival of Cooperative Societies improving value addition and market access for products and services rehabilitation of value addition structures – **Kshs 270 million**
  - 4) Operationalization of Islamic – Finance Cooperatives – **20 million**
  - 5) Capacity development for the new transport (matatu) and boda boda Co-operative societies – **Kshs 200 million**
  - 6) Promotion of new Cooperative ventures – **Kshs 20 million**
  - 7) Promotion and support of value-addition and market linkages on various cooperative products - **Kshs 169 million**
  - 8) Establishment of Cooperative Development Fund - **Kshs – 100 million**
  - 9) The implementation of the Ethics Commission for Co-operatives Societies (ECCOS) - **Kshs 10 million**
  - 10) Grants to Cooperative University college - **Kshs 500 million**
  - 11) Strengthening of SACCO Societies Regulatory Authority (SASRA) requiring **Kshs 200 million**
  - 12) Sensitization of the Kenyans in the Diaspora while tapping the Diaspora remittances through the SACCO system- **Kshs 30 million**
80. In considering the estimates presented by the Minister for Cooperative Development and Marketing, the Committee observed that the Cooperative movement plays a key role in savings and investment, and that it provides an avenue for creating employment opportunities among the young people.
81. In respect of employment creation, the Committee observed that the sector employs an estimated 320,000 employees while 1.5 million people are self-employed in cooperative financed micro-enterprises.



- 2) Township Planning;
  - 3) Livestock Development;
  - 4) Water Supply and Irrigation;
  - 5) Natural Resource Management including tapping of solar and wind energy;
  - 6) Mineral Resource Exploration and Development;
  - 7) Tourism Development; and
  - 8) Human Resource Development.
86. The Ministry therefore requires budgetary provisions to implement identified programmes to address challenges facing development of Northern Kenya and other ASALs.
87. In the BPS, the priority programmes of the Ministry were stated to include:-
- (i) Drought Monitoring through operationalization of the National Drought Management Authority ((NDMA), which had been provided with **296 million** in the budget.
  - (ii) Establishment of the National Drought and Disaster Contingency Fund budgeted at **Kshs. 2 billion**.
88. In the 2012/13 budget, the Ministry of Development of Northern Kenya and other Arid Lands has been allocated a total of **Kshs 3,383,951,391** of which **Kshs 579,210,600** is recurrent while **Kshs 2,804,740,791** is earmarked for development.
89. The allocations are expected to increase in the Medium Term to **Kshs 5,486,000** and **Kshs 5,773,000,000** in 2013/14 and 2014/15 respectively. This is 0.23% of the total budget.
90. In presenting the estimates of expenditure for the year 2012/13, the minister reiterated the role played by the ministry in coordinating the development activities in arid and semi arid areas in the county while complementing the efforts made by other Ministries.
91. The Minister acknowledged that the funding gap would impact negatively in implementing the sub-programmes earmarked for the financial year including mainly the **Drought, Food Security and**

form of grants from development partners (e.g., WFB, DFID, Japanese Government, European Union, UNICEF, UNDP, Netherlands and DANIDA. The donor commitments amount to Kshs. 3,391,480,874 in the 2012/13 year.

95. While appreciating the efforts made to allocate resources for infrastructure for irrigation purposes and recognizing the effects of climate change and its resultant consequences, and noting that the government's response to drought mitigation and drought related challenges has been slow, the Committee was of the opinion that there is urgent need for prompt response to such disasters,

96. The Committee therefore recommended that:-

(i) Kshs 412 million mentioned under specific fiscal risks and pending expenditures in the BPS and earmarked for the operation of the National Drought Management Authority be allocated to the Ministry in additional funding. The activities under this programme to include Daadab environmental rehabilitation programme.

(ii) Kshs 2 billion be set aside for the establishment of the National Drought and Disaster Contingency Fund.

97. In conclusion, the Committee agreed to the Minister's proposal that an amount of Kshs 3,383,951,391 comprising Kshs 2,804,740,791 for development expenditure and Kshs 579,210,600 for recurrent expenditures be withdrawn from the Consolidated Fund to finance the Ministry of State for Development of Northern Kenya and Other Arid Lands (Vote 158) in the 2012/13.

#### 4.0 CONCLUSION

98. In concluding, the Committee expresses that the underfunding in the agriculture sector has continued to defeat efforts to fight food insecurity, support over-reliance in food importation and lack of progress to reduce poverty levels. Until we move to provide adequate investments in agriculture, even the critical level of Maputo Protocol of at least 10%, we will continue to reel in a country characterized by perennial food shortages.

MINUTES OF THE 220<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND CO-OPERATIVE SOCIETIES HELD ON MONDAY 7<sup>TH</sup> MAY, 2012 IN COMMITTEE ROOM 2<sup>ND</sup> FLOOR CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 9.00 AM.

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PRESENT

1. Hon. John Mututho, MP - Chairman
2. Hon. Lucas Chepkitony MP - Vice-Chairman
3. Hon. Mohamud Sirat, MP
4. Hon. Benjamin Washiali, MP
5. Hon. Benson Itwiku Mbai, MP

ABSENT WITH APOLOGY

1. Hon. Dr. Erastus Mureithi, MBS, HSC, MP
2. Hon. John Pesa, MP
3. Hon. Dr. Victor Munyaka, MP
4. Hon. Dr. Robert Monda, MP

ABSENT

1. Hon. Evans Akula, MP
2. Hon. Fred Outa, MP

IN ATTENDANCE

National Assembly

1. Mr. Oscar Namulanda - Clerk Assistant
2. Ms. Marale Sande - Researcher
3. Ms. Lucy Makara - Budget office.
4. Mr. John Ng'ang'a - Hansard Reporter
5. Mr. Shadrack Makokha - Parliamentary Intern

Ministry of Northern Kenya and Arid Lands

1. Hon. Mohamed Elmi, MP - Minister Northern Kenya and Arid Lands.
2. L.N Lenayapa - Permanent Secretary
3. Ruth W. Gathii
4. Kennedy C. Nyamao
5. James Oduor
6. Alex Mwangi



- i. Construction of Wajir Water and Sewerage Project
- ii. Construction of 30 small dams and water pans in various counties
- iii. Drilling and equipping of 7 boreholes in Kajiado, Mwingi, Laikipia, Moyale, Marsabit, West Pokot and Mandera.
- iv. Provision of piped water supply to communities in Tharaka, Malindi, Taita Taveta and Makueni
- v. Construction of minor irrigation schemes in Meru North, Nyeri and Mbeere.
- vi. Construction of desolation unit at Kizingitini in Lamu County.

b) Human Capital Development and Education.

- i. Construction of 3 new secondary schools in Turkana, Garissa and Wajir and all have already enrolled form one students
- ii. Construction of 3 new primary boarding and day; Laikipia, Baringo and Marsabit.
- iii. Classrooms constructed in 44 existing schools to accommodate a larger number of students
- iv. Construction of boarding facilities in three existing schools
- v. Construction of science laboratories and provision of science equipment and text books in secondary schools.
- vi. Establishment of the Northern KENYA Education Trust (NOKET) to support girls from the Northern Region to access secondary and tertiary education.

c) Physical Planning and encouragement of townships

- i. Research, technical survey and preparation of growth pole strategy for development of four axes in Northern Kenya.
- ii. Spatial planning of Mandera town as growth pole and preparation of interactive plot register for land use development control and management.
- iii. Spatial planning of Wajir town to anchor the ongoing sewerage infrastructure works and preparation of interactive plot register for land use management and development control.
- iv. Preparation of concept for LAPSET strategic impact assessment.

d) Health services.

- i. Provision of ICT Library facilities in Lodwar KMTC
- ii. Construction of Classrooms and hostels at Lodwar KMTC resulting in an additional 150 students joining the institution(2010/2011)
- iii. Ongoing construction of mental wards in Isiolo and Maral District Hospitals
- iv. Procured and distributed non-pharmaceutical emergency supplies and medical equipment to arid and semi arid district health facilities.

- (v). Supply construction of water supplies in Tharaka, Kajiado, Marsabit, Kilifi and Meru North.
- (vi). Borehole Drilling and equipping in Mandera, Samburu, Kajiado and Makueni
- (vii). Undertake study on Habaswein/ Wajir water supply project.

b) Human Capital Development and Education.

- (i). Complete on-going education infrastructure
- (ii). Procure new infrastructure in existing schools
- (iii). Provision of school kits for mobile schools
- (iv). Financial contribution to the Northern Kenya Education Trust
- (v). Construction of classrooms at Inshaallah Secondary School-Wajir
- (vi). Support the establishment of the National Commission on Nomadic Education

c) Physical Planning and encouragement of townships.

- (i). Preparation of spatial planning policy for ASALs in line with the Constitution
- (ii). Preparation of Marsabit integrated development plan
- (iii). Preparation of strategic regional development plan for Garissa county
- (iv). Survey of planned public purpose and public utilities in Mandera and Wajir townships
- (v). Planning and development of regional growth poles in 4 axes

d) Health services

- (i). Supporting implementation of telemedicine programme in Lodwar, Wajir and Marsabit Hospitals.
- (ii). Construction of mental wards in Marsabit, Wajir, Isiolo and Samburu
- (iii). Construction of student hostels in Garissa KMTC
- (iv). Provision of ICT Library facilities in Garissa KMTC

e) Policy and Research

- (i). Preparation of Ministry's strategic plan for 2013/2017
- (ii). Conduct monitoring and evaluation for effective project implementation

f) Livestock Development

- (i). Livestock upgrading in Samburu and Tana River
- (ii). Fodder production and conservation in Samburu and Tana River
- (iii). Provision of animal health care services in Samburu and Tana River.
- (iv). Livestock marketing infrastructure development in Marsabit, Narok, Wajir, Mandera, Baringo and Mbeere.

6. The Minister noted the following as challenges facing the Ministry:



MINUTES OF THE 221<sup>st</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND CO-OPERATIVES HELD ON TUESDAY 7<sup>TH</sup> MAY, 2012 IN COMMITTEE ROOM 2<sup>ND</sup> FLOOR CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 12.00 PM.

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PRESENT

Hon. John Mututho, MP	-	Chairman
Hon. Lucas Chepkitony MP	-	Vice-Chairman
Hon. Mohamud Sirat, MP		
Hon. Benjamin Washiali, MP		
Hon. Dr. Victor Munyaka, MP		
Hon. Benson Itwiku Mbai, MP		

ABSENT WITH APOLOGY

Hon. John Pesa, MP  
Hon. Dr. Robert Monda, MP  
Hon. Fred Outa, MP  
Hon. Evans Akula, MP  
Hon. (Dr.) Robert Monda, MP

IN ATTENDANCE

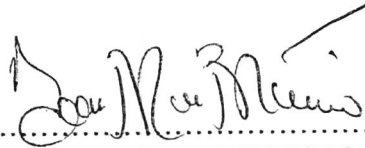
National Assembly

1. Mr. Oscar Namulanda	-	Clerk Assistant
2. Ms. Marale Sande	-	Researcher
3. Ms. Lucy Makara	-	Budget office.
4. Mr. John Ng'ang'a	-	Hansard Reporter
5. Mr. Shadrack Makokha	-	Parliamentary Intern

Ministry of Regional Development

1. Fred Gumo	-	Minister
2. Eng. Carey O. Orege	-	Permanent Secretary
3. Francis Agoya	-	Managing Director, TARDA
4. James Oloo	-	Chief Manager Finance and Accounts, TARDA
5. Josiah W. Mulwa	-	Ag. Chief Technical Manager, ENNDA
6. Charles Sunkuli	-	C.E.O ENSDA
7. Kabok P. Aguko	-	Managing Director, LBDA
8. Miriam Siwa	-	CDA
9. David Kimosop	-	Managing Director, KUDA

SIGNATURE.....



HON. JOHN MUTUTHO, MP  
(Chairperson)

DATE .....

22/5/2012

MINUTES OF THE 222<sup>nd</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND CO-OPERATIVE SOCIETIES HELD ON MONDAY 7<sup>TH</sup> MAY, 2012 IN COMMITTEE ROOM 2<sup>ND</sup> FLOOR CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 3.00 PM.

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PRESENT

- |                                |   |               |
|--------------------------------|---|---------------|
| 1. Hon. John Mututho, MP       | - | Chairman      |
| 2. Hon. Lucas Chepkitony MP    | - | Vice-Chairman |
| 3. Hon. Mohamud Sirat, MP      |   |               |
| 4. Hon. Benjamin Washiali, MP  |   |               |
| 5. Hon. Benson Itwiku Mbai, MP |   |               |

ABSENT WITH APOLOGY

1. Hon. Dr. Erastus Mureithi, MBS, HSC, MP
2. Hon. John Pesa, MP
3. Hon. Dr. Victor Munyaka, MP
4. Hon. Dr. Robert Monda, MP

ABSENT

1. Hon. Evans Akula, MP
2. Hon. Fred Outa, MP

IN ATTENDANCE

National Assembly

- |                         |   |                      |
|-------------------------|---|----------------------|
| 1. Mr. Oscar Namulanda  | - | Clerk Assistant      |
| 2. Ms. Marale Sande     | - | Researcher           |
| 3. Ms. Lucy Makara      | - | Budget office.       |
| 4. Mr. John Ng'ang'a    | - | Hansard Reporter     |
| 5. Mr. Shadrack Makokha | - | Parliamentary Intern |

Ministry of Northern Kenya and Arid Lands.

- |                         |   |  |
|-------------------------|---|--|
| 1. Hon Mohamed Elmi, MP | - | Minister Northern Kenya and Arid Lands |
| 2. L.N Lenayapa         | - | Permanent Secretary                    |
| 3. Kennedy C. Nyamao    |   |  |

Minister assured the committee that he would consider in conjunction with other Ministries.

The Minister replied that the areas funded were critical in disaster response which affects the regions and overall Ministry operations.

The Committee therefore recommended that:-

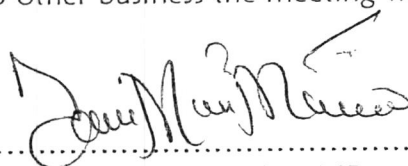
- (i) Kshs 412 million mentioned under specific fiscal risks and pending expenditures in the BPS and earmarked for the operation of the National Drought Management Authority be allocated to the Ministry in additional funding.
- (ii) Kshs 2 billion be set aside for the establishment of the National Drought and Disaster Contingency Fund.

In conclusion, the Committee agreed to the Minister's proposal that an amount of Kshs 3,383,951,391 comprising Kshs 2,804,740,791 for development expenditure and Kshs 579,210,600 for recurrent expenditures be withdrawn from the Consolidated Fund to finance the Ministry of State for Development of Northern Kenya and Other Arid Lands (Vote 158) in the 2012/13 subject to the recommendations made by the committee.

MIN. NO. /388/ /2012: - A.O.B and Adjournment.

1. The Minister appreciated the support given by the committee to the Ministry. The Chair thanked the Minister for his presentation and allowed him to leave.
2. The chair notified the committee that they will be revisiting the pyramids schemes as from 22<sup>nd</sup> May, 2012 and directed the secretariat to make the necessary arrangements. The committee will also be looking at the issues raised by the East Africa Tea Traders as they had furnished the chair with the necessary documents.
3. There being no other business the meeting was adjourned at 3.50pm

SIGNATURE.....



Hon. John Mututho, MP  
(Chairperson)

DATE .....

22/5/2012



MINUTES OF THE 223<sup>rd</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND CO-OPERATIVES, HELD AT THE COMMITTEE ROOM 2<sup>nd</sup> FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS, ON TUESDAY, 8<sup>TH</sup> MAY 2012, AT 10.00 A.M.

PRESENT

Hon. John Mututho, EBS, MP	-	Chairperson
Hon. Lucas Chepkitony, MP	-	Vice Chairperson
Hon. (Dr.) Victor K. Munyaka, MP.		
Hon. Benjamin Washiali, MP		
Hon. Evans Akula, MP		
Hon. Benson I. Mbai, MP		
Hon. John D. Pesa, MP		
Hon. (Dr.) Erastus Mureithi, HSC, MBS, MP		

ABSENT WITH APOLOGY

Hon. (Dr.) Robert O. Monda, MP  
Hon. Fred Outa, MP  
Hon. (Dr.) Mohammed Sirat, MP

IN ATTENDANCE:

MINISTRY OF COOPERATIVE DEVT. & MK'G

Hon. Joseph W.N Nyagah, EGH, MP	Minister
Seno Nyakenyanya	Permanent Secretary
P.N Gichuki	DCCD
S.G Kaimenyi	Secretary ECCOS
G.K Mothemba	Ministry of Finance
Peter N. Muika	DCFO
Kenneth O. Opiyo	MF & P
Esther Gicheru	Principal, Co-operative College
Kenneth G.Wathingiri	Co-op University College
Geoffrey Mulama	CE

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

Salad Guyo	-	Clerk Assistant
Oscar Namulanda	-	Clerk Assistant
Marale Sande	-	Research Officer
Lucy Makara	-	Parliamentary budget Officer
John Nganga	-	Hansard Officer

operationalize its devolved functions in all the 47 Counties. However, within the sector ceiling it has been allocated Kshs. 658 billion in 2012/13 annual estimates leaving the shortfall of Kshs 902 million.

- (e) The Ministry has offices in 199 districts out of which only 61 have old vehicles leaving a balance of 138 districts officers without vehicles. Out of which the 61 vehicles, 58 are uneconomical (over 15 years old) and most are grounded. Although the Ministry requires a total of Kshs 600 million to provide adequate transport for the field officers; out of this amount, Kshs 200 million will be required to replace the old the fleet and Kshs to procure additional vehicles. For a start, in the 2012/13 Financial Year the Ministry has factored Kshs 125 million in the development vote to replace some aging vehicles
- (f) Among the priority development programmes/projects whose implementation will be affected due to lack of funds are the following:
- (i) Operationalization of the Kenya Farmers' Co-operative Union for the fertilizer and input supply (Kshs 100 million)
  - (ii) Support to capacity building activities by the Ministry (Kshs 200 million)
  - (iii) Support to revival of Co-operatives societies improving the value addition and market access for products and services rehabilitation of value addition structures (Kshs 270 million)
  - (iv) Operationalization of Islamic-Finance co-operatives (Kshs 20 million)
  - (v) Capacity development for the new transport (Matatu) Co-operatives Societies (Kshs 20 million)
  - (vi) Promotion of new co-operative ventures (Kshs 20 million)
  - (vii) Promotion and support of value addition and market linkages on various co-operative products (Kshs 169 million)
  - (viii) Establishment of Co-operative Development Fund (Kshs 100 million)
  - (ix) The management, ethics and integrity practices of Co-operatives are of great concern to the members as well as the Government. The governance structures and practices in co-operatives determine to a large extent the level of benefits to the members. The ethics Commission for Co-operatives Societies (ECCOS) is in the process of finalizing the anti-corruption policy for co-operatives societies. For the year 2012/13, the commission would require Kshs. 10 million to commence implementation of the anti-corruption policy among other activities which are outgoing.
  - (x) Grants to Co-operative University College of Kenya require Kshs. 500 million to support development of physical facilities during the transition to University College. In addition, the SACCO societies Regulatory Authority (SASRA) require Kshs 200 million.
  - (xi) In order to tap Diaspora remittances (through the SACCO) system for investment, the Ministry has registered a SACCO for the Kenyan Diaspora. In 2012/13 the Ministry will sensitize those Kenyans into joining using the entity (Kshs. 30 million)

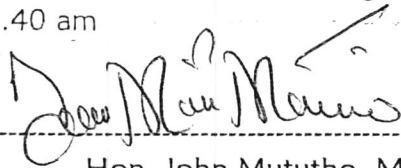
In considering the estimates presented by the Minister for Cooperative Development and Marketing, the Committee observed that the Cooperative movement plays a key role in

MIN.NO.392 /2011:

ADJOURNMENT

There being no other business the meeting was adjourned at 11.30 pm to reconvene the same day at 11.40 am

Signed-----



Hon. John Mututho, MP  
(Chairperson)

Date-----

22/5/2012

MINUTES OF THE 224<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND CO-OPERATIVES, HELD AT THE COMMITTEE ROOM, 2<sup>ND</sup> FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS, ON TUESDAY, 8<sup>TH</sup> MAY 2012, AT 11.40 A.M.

PRESENT

Hon. John Mututho, EBS, MP	-	Chairperson
Hon. Lucas Chepkitony, MP	-	Vice Chairperson
Hon. (Dr.) Victor K. Munyaka, MP.		
Hon. Benjamin Washiali, MP		
Hon. Evans Akula, MP		
Hon. Benson I. Mbai, MP		
Hon. (Dr.) Erastus Mureithi, HSC, MBS, MP		
Hon. John D. Pesa, MP		

ABSENT WITH APOLOGY

Hon. (Dr.) Robert O. Monda, MP  
Hon. Fred Outa, MP  
Hon. (Dr.) Mohammed Sirat, MP

IN ATTENDANCE:

MINISTRY OF LIVESTOCK

Hon. (Dr.) Mohammed A. Kuti	Minister
Kennethe M. Lusaka	Permanent Secretary
M.A Nyandong	Ministry of Livestock
Dr. Waga Jalongo	Ministry of Livestock
Irene Mbito	Kenya Meat Commission
Patrick Mutemi	Kenya Meat Commission
Dr. Ibrahim Hajji	Kenya Meat Commission
Abdi Adan Suleiman	Kenya Meat Commission
Julius Kiptarus	Ministry of Livestock
Dr. P. Ithondeka	DUS
Mbugua Sammy	Ministry of Livestock
Albinah Koskey	Ministry of Livestock
Evelyne Ong'ondi	Ministry of Livestock
C.N Mwangi	Ministry of Livestock
G.K Mothemba	Ministry of Finance
J.P. Cheruiyot	Ministry of Livestock
Gloria Kulundu	Ministry of Livestock
Moses Mburu	Ministry of Livestock
Joseph Obwocha	Ministry of Livestock
Jameh Charo	Ministry of Livestock
Seth O. Onyango	Ministry of Livestock



been confused with MoL (Ministry of Lands) whose budget amount was Kshs. 2,535,000 million against an actual expenditure of Kshs. 3,608,000 million. The Ministry of Livestock Development therefore did not have unbudgeted expenditure

- (b) It is true the Ministry had been allocated lesser funds than had been requested and this will adversely affect the implementation of planned activities. The following measure have been put in place to address the challenge;
  - (i) The targets will be scaled down and those that cannot be undertaken will be deferred.
  - (ii) The Ministry will encourage joint field supervisions by officers to cut down on transport and subsistence costs
  - (iii) The Ministry is encouraging use of ICT such as internet to cut down costs
  - (iv) The Ministry has also implemented the use of fuel cards which is expected to reduce fuel costs.
- (c) There was delay in approval of the supplementary Appropriation bill; hence the orders were mainly done in May 2011 and up to 14<sup>th</sup> June 211. The payment vouchers were delivered after the IFMIS module for processing claims had been closed consequently they became pending bills
- (d) The outputs from last year activities include; Livestock Diseases Management vector and pest control (2.1 billion), Livestock production and extension services (1.8 billion), Food safety and animal product and Laboratory service (1.3 billion), Livestock Marketing, value addition and Early warning systems (300 million), Livestock policy and capacity building (1.6 billion)
- (e) The recurrent funds fund in the Development vote are under donor funded programmes and projects which are meant to facilitate the activities under those programmes as per the agreement with the donors. Under Development vote, sub item for contracted professional services, had capture 78b million for ISO certification and ASCU. The ministry is in the midst of ISO certification and requires the fund to complete the process.
- (f) Kshs 0.5 billion allocated to the Ministry is for the establishment of Livestock Restocking and Enterprise Development Fund (LREDF) in accordance to legal No. 58 of 22<sup>nd</sup> may 2009.
- (g) There is an allocation of 453 million under Coast Diseases Free Zone. The project is being implemented in phases and coast region is in the first phase
- (h) The Ministry has been allocated funds to Ngong rabbit farm for improvement of infrastructure and purchase of high quality rabbit breeding stock in order to meet the demands from the farmers. The Ministry is also promoting rabbit production in 15 districts and towards this end, Kshs 29,454,000 million has been allocated during FY 2012/13. Under the ESP programme, the Ministry is constructing a rabbit slaughter house in Thika. This facility will enhance marketing of the rabbit meat due to clean handling and improving of sanitary standards. There is also demand for rabbit meat due to continued health awareness among the Kenyan population since rabbit meat is white meat.

framework to address issues affecting the sector and to help trade in hides and skin profitable.

- 3) That, the Ministry establishes infrastructure for the introduction of rabbit farming due to high demand of rabbit meat in the international market.
- 4) That, the Kenya Meat Commission (KMC) be audited to account for its utilization of funds allocated to it in the previous financial years in an effort to restructure its operations and make them efficient.

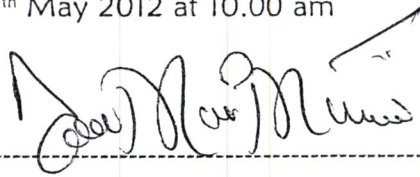
The Committee further recommends that the KMC invest in development of its mark-of-quality with an immediate allocation of Kshs. 100 million.

MIN.NO.396 /2011:

ADJOURNMENT

There being no other business the meeting was adjourned at 12.30 pm to reconvene on Thursday, 10<sup>th</sup> May 2012 at 10.00 am

Signed-----



Hon. John Mututho, MP  
(Chairperson)

Date-----

22/5/2012

MINUTES OF THE 225<sup>th</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND CO-OPERATIVES HELD ON TUESDAY 8<sup>TH</sup> MAY, 2012 IN COMMITTEE ROOM 4<sup>TH</sup> FLOOR CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 2.24PM.

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PRESENT

Hon. John Mututho, MP	-	Chairman
Hon. Lucas Chepkitony MP	-	Vice-Chairman
Hon. Benjamin Washiali, MP		
Hon. (Dr.) Victor Munyaka, MP		
Hon. Benson Itwiku Mbai, MP		

ABSENT WITH APOLOGY

Hon. John Pesa, MP	
Hon. Fred Outa, MP	
Hon. Evans Akula, MP	
Hon. (Dr.) Robert Monda, MP	
Hon. Mohamud Sirat, MP	

IN ATTENDANCE

National Assembly

1. Mr. Oscar Namulanda	-	Clerk Assistant
2. Ms. Marale Sande	-	Researcher
3. Ms. Lucy Makara	-	Budget Officer.
4. Mr. John Ng'ang'a	-	Hansard Reporter
5. Mr. Shadrack Makokha	-	Parliamentary Intern

Ministry of Regional Development

1. Hon. Fred Gumo, EGH, MP	-	Minister
2. Eng. Carey O. Orege	-	Permanent Secretary
3. Francis Agoya	-	Managing Director, TARDA
4. James Oloo	-	Chief Manager Finance and Accounts, TARDA
5. Josiah W. Mulwa	-	Ag. Chief Technical Manager, ENNDA
6. Charles Sunkuli	-	C.E.O ENSDA
7. Kabok P. Aguko	-	Managing Director, LBDA
8. Miriam Siwa	-	CDA
9. David Kimosop	-	Managing Director. KUDA

KOSFIP (KIMIRA)	840
TARDA	203
LBDA	269
CDA	191.4
ENNDA	351.4

Recurrent (Kshs Million)

TARDA	147.5
LBDA	130.6
ENSDA	48.0
CDA	57.9
ENNDA	45.8
KVDA	112.9

3. Kengen owes TARDA Kshs 8.66 billion and KVDA Kshs 4.44 billion in assets taken over arbitrarily without compensation making the two development authorities continue to suffer financial distress and inability to meet their mandates. The Minister appealed to the committee(parliament) to intervene and compel Kengen to pay up for the assets or surrender them back to the authorities
4. The ministry through regional development authorities has planned projects for the creation of food security and if not funded would affect food production. The ministry therefore appeals for their funding as they have not been factored in the estimates.

MIN. NO. 399 /2012: - Issues Raised by the Committee and the response by the Minister

1. The committee concurred with the minister over Kengen refusal to pay back and promised its intervention. The committee sought clarification if whether Kengen had been paying pending bills which the minister refuted. It recommended that if Kengen pays, the money be used in construction of a high dam and development of the region for the benefit of the locals.
2. The committee sought clarification on why the following vote heads were increased, reduced or included as compared to the last financial year.
  - R109/0001 - General Administrative services (increased from Kshs 189m to Kshs 200m)
  - R 109/0003 - Finance management services (reduced from Kshs14m to Kshs 12)
  - R109/0004 - Conservation department (reduced from Kshs 30m to 21m)
3. The Committee raised concerns over the increasing number of crocodiles in Tana River causing death to locals and asked action to be taken. The committee also raised their concerns on why the locals are not benefiting even from the water from the Dam. On response, the minister promised to liaise with other government ministries



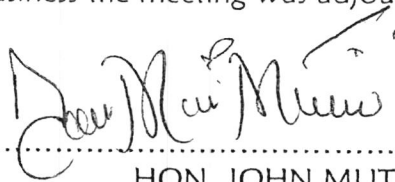
- 7) That, adequate budgets be provided as requested by the six RDAs to implement priority food security projects detailed above, which were stated had not been factored in the 2012/13 financial year.
- 8) That, there is need for coordination of projects being undertaken in the RDAs of the Ministry of Regional Development Authorities and the Ministry of Water and Irrigation to avoid wastage of funds and allow for efficient use.
- 9) That, the Ministry of Regional Development Authorities implements water projects to benefit the local people living around the hydropower dams who have continued to lack water for domestic needs despite the original works providing for the same in the design of the dams.
- 10) That, Treasury releases an amount of Kshs. 1.4 billion to finance the feasibility and engineering designs in the Mwache river integrated multipurpose Dam project, Aror multipurpose dam project, Lower Ewaso Nyiro integrated project and Olkejuado integrated project.
- 11) The cut on the Ministry's requested budget amounting to Kshs. 26,319 million to a mere figure of gross provision of Kshs. 6,380.6 million was not well advised. The Committee therefore recommended that the budget ceilings be reviewed to upscale the budget for the Ministry.

MIN. NO. 400/2012: -

A.O.B and Adjournment

The Minister thanked the committee for its support and promised to take committee members visit TARDA (Masinga Dam) for them to be more informed about the projects in the area. The Chairman thanked the Minister for his elaborate presentation. There being no other business the meeting was adjourned at 5.00pm.

SIGNATURE.....



HON. JOHN MUTUTHO, MP  
(Chairperson)

DATE .....

22/5/2012

MINUTES OF THE 226<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND CO-OPERATIVES, HELD AT THE RESOURCE CENTRE, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS, ON WEDNESDAY, 9<sup>TH</sup> MAY 2012, AT 10.00 A.M.

PRESENT

Hon. John Mututho, EBS, MP - Chairperson  
Hon. Lucas Chepkitony, MP - Vice Chairperson  
Hon. (Dr.) Victor K. Munyaka, MP.  
Hon. Benjamin Washiali, MP  
Hon. Evans Akula, MP  
Hon. Benson I. Mbai, MP

ABSENT WITH APOLOGY

Hon. (Dr.) Robert O. Monda, MP  
Hon. Fred Outa, MP  
Hon. John D. Pesa, MP  
Hon. (Dr.) Erastus Mureithi, HSC, MBS, MP  
Hon. (Dr.) Mohammed Sirat, MP

IN ATTENDANCE:

MINISTRY OF AGRICULTURE

1. Hon. (Dr.) Sally Kosgey	Minister
2. Dr. Romano Kiome	Permanent Secretary
3. Wilson Songa	Assistant Secretary
4. K.M. Wamai	Senior Director of Agriculture
5. Alice W. Gicho	Senior Chief Finance Officer
6. G.K. Mothemba	Ministry of Finance
7. H.M Mwangi	Director
8. Anne Chele	Deputy Director
9. Makheti Philip	Ministry of Agriculture-Extension and Training
10. Charles Mekala	Finance Officer
11. Paul K'Angira	DD/ Human Resource
12. Joseph Kamau	Human Resource Manager
13. Mohamed Chute	Finance Officer
14. Joshua Nyoko	Finance Officer
15. Munyendo Isaac	Principal Accounting Officer
16. Isaiah Okeyo	DDA/ Policy
17. Wellington Lubira	Chief Economist

IN ATTENDANCE:

KENYA NATIONAL ASSEMBLY

1. Salad Guyo	- Clerk Assistant
2. Oscar Namulanda	- Clerk Assistant

- (iii) Purchase of Agricultural machinery
  - (iv) Implementation of farm forestry policy (10% tree cover)
  - (v) Construction of water harvesting structures
  - (vi) Post Harvest crop management ( stores and driers) and;
  - (vii) Counterparts funds and ongoing programmes
- (g) The Ministry received Kshs 8, 664,230,361 in the 2011/12 FY and 7,329,859,154 in the 2012/13 FY from donors and other-development partners. The total-of Kshs 2.384 billion have been negotiated for the next financial year but not yet include in the budget.

### COMMITTEE OBSERVATIONS

- (i) The Ministries recurrent budget is on an increasing trend from Kshs. 8,845,508,639 billion in 2011/12 to Kshs. 9, 525,437,080 billion in 2012/13, an increase of 13.4%.
- (ii) The Development allocation for the ministry is also in an increasing trend from Kshs. 11.060 billion in 2011/12 FY to Ksh 12,573 billion in 2012/13 FY, an increase of 13.6%
- (iii) The Ministry requested for Kshs. 8,118 billion for recurrent and Kshs 51,646 for development.
- (iv) The total allocation to the Ministry is about 1.5% of the country's total budget which is far below the Maputo declaration of 2003 that Agriculture should be allocated at least 10% of the total budget. It is unlikely that this will be adhered to even after combining the budget for all other Ministries in the agriculture sector.
- (v) Allocations of funds to KARI and other research institutes such as cotton, coconut and horticulture development authorities that are for specific crops as well as coffee, tea, and sugar research foundation might lead to duplication of activities.
- (vi) Bulk procurement of fertilizer should be made in time to avoid delay in planting.
- (vii) The percentage amount allocated to agriculture sector is less than 10% of the total budget against the Maputo declaration of 2003 that agriculture sector should not receive less than 10% of the total budget.
- (viii) The country has experienced intermittent food shortage in the recent past leading to an escalation of food prices and rising inflationary pressures. This might persist if investment in the sector is done to promote food production.

While considering the printed estimates of the Ministry and the presentations made by the Minister, the Committee noted that:-

- 1) The total allocation to the Ministry is about 1.5% of the country's total budget which is far below the Maputo Declaration of 2003 that Agriculture should be allocated at least 10% of the total budget. It is therefore unlikely that this will be adhered to even after combining the budget for all other Ministries in the agricultural sector.



- 4) The transfer of resources to the SAGAS under the Ministry is substantial yet these investments have not yielded commensurate returns to the public. Strategic SAGAS like the AFC, ADC, KFA and PBK in particular needs greater attention to make efficient in their operations. In the meanwhile, the Committee congratulates the ADC for its good performance in the past year. The AFC needs monies to build its capacity to respond to the demand by the public to borrow credit from the corporation due to its low interest rates.
- 5) As previously, the Committee reiterates its recommendations that irrigation sector, the National irrigation Board (NIB) and Strategic Grain Reserve (SGR) be reverted to the Ministry of Agriculture which is in charge food production and with the capacity to deal with irrigation matters. Consequently the NIB's budget be re-allocated under the Ministry of Agriculture.
- 6) Food importation into the country be banned and funds set aside for such imports be redirected to the food production sectors in the agricultural sector.

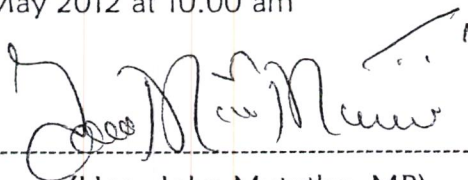
In Conclusion, the Committee agreed with Ministry of Agriculture that an amount not exceeding Kshs 9,525,437,080 in the Recurrent Vote (R110) and an amount not exceeding Kshs 12,573,704,599 in the Development Vote (D110) be withdrawn from the Consolidated Fund to finance the programmes and projects of the Ministry.

MIN.NO. 403/2011:

ADJOURNMENT

There being no other business the meeting was adjourned at 12.36 pm to reconvene on Thursday, 10<sup>th</sup> May 2012 at 10.00 am

Signed-----



(Hon. John Mututho, MP)  
Chairperson

Date-----

22/5/2012



MINUTES OF THE 228<sup>th</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND CO-OPERATIVES HELD ON THURSDAY 22<sup>ND</sup> MAY, 2012 IN RESOURCE CENTRE 1<sup>ST</sup> FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10.00AM.

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PRESENT

- |                                |   |               |
|--------------------------------|---|---------------|
| 1. Hon. John Mututho, MP       | - | Chairman      |
| 2. Hon. Lucas Chepkitony MP    | - | Vice-Chairman |
| 3. Hon. Benson Itwiku Mbai, MP |   |               |
| 4. Hon. John Pesa, MP          |   |               |
| 5. Hon. Mohamud Sirat, MP      |   |               |
| 6. Hon. Fred Outa, MP          |   |               |

ABSENT WITH APOLOGY

1. Hon. Benjamin Washiali, MP
2. Hon. (Dr.) Victor Munyaka, MP
3. Hon. Evans Akula, MP
4. Hon. (Dr.) Robert Monda, MP

IN ATTENDANCE

National Assembly

- |                         |   |                         |
|-------------------------|---|-------------------------|
| 1. Paul Ng'etich        | - | Senior Research Officer |
| 2. Mr. Oscar Namulanda  | - | Clerk Assistant         |
| 3. Mr. Shadrack Makokha | - | Parliamentary Intern    |

MIN. NO. 407/ /2012: - Preliminaries

The Chairman called the meeting to order at Thirty minutes past Ten O'clock and opened the meeting with a word of prayer.

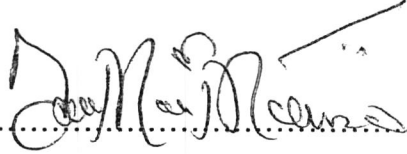
He acknowledged the support and commitment Members have given to the Committee and the input made during the scrutiny of the budget estimates.

MIN. NO. 408/2012: - Confirmation of Minutes of the Previous Meetings

1. Minutes of the 220<sup>th</sup> Sitting of the Committee held on 7<sup>th</sup> May, 2012 were confirmed as a true record of the deliberations after being proposed by Hon. Lucas Chepkitony, MP and seconded by Hon. Benson Itwiku Mbai, MP.

MIN. NO. 411/ /2012: - Adjournment

The Chairman adjourned the meeting at Twenty Five minutes past Twelve O'clock until Wednesday, 23<sup>rd</sup> May, 2012 at Eleven O'clock.

SIGNATURE..........

HON. JOHN MUTUTHO, M. P.  
(Chairperson)

DATE..... 22/5/2012 .....