



**KENYA NATIONAL ASSEMBLY
TENTH PARLIAMENT – THIRD SESSION (2009)**

**THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK
AND COOPERATIVES**

REPORT

**ON THE SCRUTINY OF ANNUAL ESTIMATES FOR THE
FY 2009/2010**

FOR

- 1. VOTE 09 – MINISTRY OF REGIONAL DEVELOPMENT
AUTHORITIES**
- 2. VOTE 10 – MINISTRY OF AGRICULTURE**
- 3. VOTE 19 – MINISTRY OF LIVESTOCK DEVELOPMENT**
- 4. VOTE 22 – MINISTRY OF COOPERATIVE DEVELOPMENT
AND MARKETING**
- 5. VOTE 56 – MINISTRY OF FISHERIES DEVELOPMENT**
- 6. VOTE 58 – MINISTRY OF STATE FOR DEVELOPMENT OF
NORTHERN KENYA AND OTHER ARID LANDS**

1. PREFACE

Mr. Speaker Sir,

On behalf of Members of the Departmental Committee on Agriculture, Livestock and Cooperatives, I would like to present to the House the Report of the Committee on the Scrutiny of Annual Estimates for the Financial Year 2009/2010 for Votes – 09, 10, 19, 22, 56 and 58, in accordance with the provisions of Standing Order No. 152 (1) and (2).

Committee Composition

The Departmental Committee on Agriculture, Livestock and Cooperatives is comprised as follows:-

The Hon. John Mututho, M.P. – **Chair-person**

The Hon. Lucas Chepkitony, M.P. - **Vice Chair-person**

The Hon. Erastus Mureithi, MBS, HSC, M.P.

The Hon. (Dr.) Victor Munyaka, M.P.

The Hon. Peris Chepchumba, M.P.

The Hon. (Dr.) Robert Monda, M.P.

The Hon. Benson Itwiku Mbai, M.P.

The Hon. Kambi Kazungu, M.P.

The Hon. Evans Akula, M.P.

The Hon. Fred Outa, M.P.

The Hon. John D. Pesa, M.P.

The Chair-person and the Vice-Chair were elected during the Committee's first sitting on Tuesday June 23 2009.

Mandate of the Committee

The Departmental Committee No. B on Agriculture, Livestock and Cooperatives, like other Departmental Committees, is established pursuant to the provisions of Standing Order No. 198 which empowers Departmental Committees to: -

- a) 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) study the programme and policy objectives of Ministries and Departments and the effectiveness of the implementation;
- c) study and review all legislation referred to it;
- d) study, assess and analyse the relative success of the Ministries and Departments as measured by the results obtained as compared with their stated objectives;
- e) 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) make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.

The Committee oversees the following Ministries:-

Ministry of Agriculture,

Ministry of Livestock Development,

Ministry of Cooperative Development and Marketing,

Ministry of Regional Development Authorities,

Ministry of Fisheries Development, and

Ministry of State for Development of Northern Kenya and other Arid Lands.

2. SCRUTINY OF ESTIMATES

Pursuant to Standing Order 152, the Committee held eight (8) sittings to consider the Printed Estimates of assigned Ministries for the year ending 30th June 2010 which were laid on the Table of the House on 10th June, 2009.

The Committee considered, discussed and reviewed the Estimates of the afore-stated Ministries in the following order:

- i) Ministry of Fisheries Development – **vote 56**;
- ii) Ministry of State for the Development of Northern Kenya and other Arid Lands – **vote 58**;
- iii) Ministry of Regional Development Authorities – **vote 09**;
- iv) Ministry of Cooperative Development and Marketing – **vote 22**
- v) Ministry of Agriculture – **Vote 10**
- vi) Ministry of Livestock Development - **Vote 19**

Respective Ministers accompanied by Senior Ministry officials appeared before the Committee made submissions and responded to issues raised by the Committee which made possible the production of this report. A summary of each Minister's submission is reflected in the report and minutes of respective sittings of the Committee.

The Committee noted with concern that the Agricultural Sector which is the back bone of the economy is grossly underfunded as it is only given 3.49% of the entire budget putting into doubt the Government's prioritization of this key sector of the economy. It is worth noting that this allocation is way below the close to 10% allocation agreed on at the Maputo Declaration to which Kenya is a signatory.

Table one below is a comparison between the sector of Agriculture versus other sectors in the 2009/2010 budget proposals:-

Table 1: Analysis of Allocations to Sectors in Kshs Billion and % Share

Sector	Gross recurrent	Gross development	Gross total	% share of total
Agriculture and rural Development	18.6	11.6	30.2	3.49
Trade Tourism and Industry	7.5	4.5	12.0	1.39
Physical Infrastructure	40.1	99.1	139.2	16.08
Environment Water and Sanitation	6.5	27.0	33.5	3.87
Human Resource Development	146.4	37.4	183.8	21.23
Research, Innovation and Technology	22.9	7.3	30.2	3.49
Governance, Justice, law and Order	71.7	9.1	80.8	9.33
Public administration	39.1	42.9	82.0	9.47
Special programmes	12.1	20.0	32.1	3.71
National Security	54.3	0	54.3	6.28
CPS	187.5	0	187.5	21.66
Total expenditures	606.7	258.9	865.6	100.00

Source: Printed Estimates 2009/10

As indicated in table one above the gross total expenditure for the agriculture sector accounted for only 3.49% of the total estimates for Ministerial Recurrent, Development and Consolidated Fund Expenditures.

The table below is a comparison of the share that goes to agriculture Ministry versus other Ministries in the sector

Table 2: Analysis of Allocations to for Agricultural Sector in Kshs Billions and % Share

Ministry	Gross Recurrent	Gross Development	Total Gross	% Share
Agriculture	7.80	5.67	13.47	44.62
Livestock Development	3.17	1.50	4.67	15.47
Co-operative Development & Marketing	0.93	0.22	1.15	3.81
Lands	1.67	0.86	2.53	8.38
Forestry & Wildlife	3.77	2.0	5.77	19.11
Fisheries Development	1.26	1.34	2.60	8.61
Grand Total For Sector	18.60	11.59	30.19	100

Source: Printed Estimates 2009/10

The table below demonstrates the allocations of the Ministries in the Agriculture sector in relation to the total budget for 2009/10.

Table 3: Analysis of Allocations to the Agricultural Sector as % of the total Discretionary Budget.

Ministry	Total Gross	Discretionary budget	% Share
Agriculture	13.47	678.085	1.99
Livestock Development	4.67	678.085	0.69
Co-operative Development & Marketing	1.15	678.085	0.17
Lands	2.53	678.085	0.37
Forestry & Wildlife	5.77	678.085	0.85
Fisheries Development	2.60	678.085	0.38
Grand Total For Sector	30.19	678.085	4.45

Source: Printed Estimates 2009/10

Mr. Speaker Sir,

Below is the record of the Committees deliberations on each Specific vote based on the submissions and presentations by the respective Ministers, the printed estimates and other relevant documents.

2.1 MINISTRY OF FISHERIES DEVELOPMENT – VOTE 56

Functions

Kenya's Fisheries sub-sector which is classified under the Agriculture and Rural Development Sector has potential to contribute significantly to the National economy through employment creation, foreign exchange earnings, poverty reduction and food security support. The sub-sector also promotes other auxiliary industries such as net making, packaging material industries, boat building etc. The functions of the Ministry are:

- a) Development and implementation of fisheries policy
- b) Fishing licensing
- c) Development of marine and fresh water fisheries

- d) Commercialization , including formation of cooperatives for local fishermen,
- e) Promotion of fish assurance, value addition and export market
- f) Licensing and protection of fisheries in exclusive economic zones and
- g) Overseeing the activities of the Kenya Marine and Fisheries Institute (KEMFRI)

The Ministry's net allocation for the FY 2009/2010 is **Kshs. 1,115,324,480** and appropriations-in-aid of kshs **149,200,000** for Recurrent Expenditure. The development expenditure is allocated a net of kshs **1,306,526,000** and appropriations-in-aid of kshs **30,476,000**.

Summary of the Ministers Submissions

The Minister gave a brief history of the Ministry and informed the committee that prior to its becoming a fully pledged Ministry in 2007, it had been shifted from Ministry to Ministry (then as the Department of Fisheries. As a result of the movement, the ministry had lost most of its institutional memory including human capital as well as resources such as its training center in Naivasha. The Minister informed the Committee that the Ministry's enabling Act, Cap 378 was too archaic having been enacted during the colonial era hence it was not effective. Additionally, the Ministry's budget was too meager to enable the Ministry undertake any meaningful gainful activities and that had the Ministry been adequately funded it would undertake gainful activities and contribute a great deal to food production to ensure food security. The Minister added, needed to construct a quality-internationalized laboratory in Kenya and to enter into negotiations with the European Union for purposes of value addition and enabling Kenya to compete and tap into the international fish market. The Minister explained the Ministry was in dire need of financing to undertake fish farming and aquaculture (for aquaculture, he said it requires 28 million of fingerlings to stock fishponds). Coupled with the above challenges was the fact that the Ministry lacked capacity and resources, whether human, financial or otherwise to sustainably exploit the fisheries resource and

for monitoring, control and surveillance of marine zones and Kenyan waters. The Committee was also informed that due to under-funding the Kenya Marine and Fisheries Research Institute (KEMFRI) could not function optimally owing to lack of funds. Even the task force on delineation of our Exclusive Economic Zone (EEZ) which should be anchored under KEMFRI was anchored nowhere. The Minister stated that in order to address the challenges facing the Ministry, he had already submitted a policy paper to the cabinet which had been approved and that he would introduce a bill in Parliament to ensure the policy is anchored into law. The Minister stated that to ensure effective surveillance, monitoring and control, the Ministry would need to establish a fully pledged marine inspectorate department and recruit competent surveillance personnel wholly under the Ministry and not any other department of Government.

Committee Observations and Recommendations

In considering the estimates of the Ministry the Committee observed and recommends the following:

- a) The full potential of the sub-sector has not been realized due to low prioritization of the sector by the policy makers, perhaps due the poor knowledge of the sector's potential. The current top-down policy decision-making processes, which do not involve stakeholders, lack of coherent development plan, and the low priority given to the sector in terms of resource allocation, has adversely affected its growth. Additionally, the Ministry is grossly underfunded reducing it to almost a net consumer yet if funded adequately this is a Ministry with potential to generate wealth and contribute immensely to the National grid. Due to underfunding, the Ministry's workforce is largely low cadre staff who are redundant and willing to be retrenched yet there is no money to retrench, recruit and remunerate competent personnel especially scientists for research at KEMFRI. **The Committee recommends that**

the Treasury should in future increase funding to the Ministry so that it does not remain just a consumer of resources owing to being allocated too little money to carry out gainful activities including building a fish research certification lab and own headquarters and recruiting competent scientists to carry out research at KEMFRI.

- b) Prior to its becoming a full pledged Ministry in 2007, it had been shifted from Ministry to Ministry (then as the Department of Fisheries). As a result of the movement, the ministry has lost most of its institutional memory including human capital as well as resources such as its training center in Naivasha. The resources were retained by parent Ministries. **The Committee recommends that the Government should compensate the Ministry for the loss of its training school in Naivasha and that the Ministry should build a new school on the alternative ground.**
- c) The Ministry's enabling Act, Cap 378 is too archaic having been enacted during the colonial era hence it is not effective. **The Committee recommends that the Minister should move with speed and introduce a Bill in Parliament in order to ensure effective legislative framework is in place to enable the Ministry function as it ought to.**
- d) Under Head 532 (Directorate of Fisheries- Recurrent) operations and maintenance expenses shot from Kshs.34,979,810 to Kshs.385,158,114. Out of this amount, Kshs.300,000,000 is for establishing a Monitoring, Control and Surveillance system and compliance and enforcement of the fisheries legislation. The Committee noted that using the Kshs.300,000,000 the Ministry plans to set up a fully functional Patrol and Inspectorate Unit to enable the country acquire competence and technical capacity for developing marine deep fisheries and fulfil its international obligation in implementing the Fisheries Convention an Agreement to which Kenya is a signatory. The establishment of this capacity will give control over all fishing vessels in the country's Exclusive Economic Zone and therefore reduce illegal, unreported and

unregulated fishing. It will also increase revenue(AIA) and enforce landing of fish harvested in Kenya to the coastline to enhance food security, develop cottage food industries and create employment. **The Committee recommends that the Ministry should move with speed to set up a functional Patrol and Inspectorate Unit and recruit competent surveillance personnel wholly under the Ministry and not any other department of Government. The Ministry should also be allowed to carry out and or coordinate activities within its jurisdiction for purposes of ensuring effectiveness in service delivery.**

- e) Under Head 443 Directorate of Aquaculture Development- Development), there is an allocation of Kshs. 1,120, 000,000 for economic Stimulus for constituencies. The funds are for supporting aquaculture productivity and the Ministry targets 2/3 of the country (about 140 constiuencies) with a potential for aquaculture development. **The Committee recommends that economic stimulus funds should be strictly applied for the purpose for which they are intended and that the Ministry should ensure that application of the funds results in tangilble gainful projects for the benefit of the country.**
- f) Under Head 645 (Kenya Marine and Fisheries Research Institute – Development), Kshs.44,000,000 and Kshs.86,526,000 has been allocated for construction of a marine centre (on-going) and Kenya Coastal Development Porject, respectively. **The Committee recommends that the Mnistry should hasten the completion of consturction the marine centre and that the Kenya Coastal Development Porject should be fully supported through adequate funding so that it benefits the Coastal population.**
- g) On the whole the Committee is agreeable to the Minister’s proposal that a sum not exceeding kshs **1,115,324,480** be withdrawn from the Consolidated Fund to finance Recurrent Expenditure and a sum not exceeding kshs **1,306,526,000** be withdrawn from the same to finance Development Expenditure under heads **192, 450,438, 441, 443,452,532,534,537,539, 548, and 645.**

h) The Committee is also agreeable to the proposal that a sum not exceeding kshs **149,200,000** be collected as appropriations-in-aid to finance Recurrent Expenditure and a sum not exceeding kshs **30,476,000** be collected as appropriations-in-aid to finance development expenditure under the above stated heads.

2.2 MINISTRY OF STATE FOR DEVELOPMENT OF NORTHERN KENYA AND OTHER ARID LANDS – VOTE 58

Functions

The Ministry of State for Development of Northern Kenya and other Arid Lands is mandated to turn around the plights of Northern Kenya and other Arid Lands which include chronic poverty, insecurity, recurrent drought, starvation, lack of basic infrastructure, marginalization, social and economic exclusion. It is intended to help in bringing development to the people of these regions. The Ministry core functions include:

- a) Development of infrastructure
- b) Planning of settlements
- c) Strengthening livestock marketing and livestock related industries
- d) Water supply and irrigation
- e) Natural resource management
- f) Mineral resources exploration
- g) Opening up of arid lands for tourism
- h) Human resource development and
- i) Tapping solar and wind energy to fuel development

The Ministry belongs to the sector for special programmes under the current MTEF arrangement and adopts a holistic and multicultural approach to development by working with all Ministries in the sector. The sector claimed 3.7% of the total resources with the Ministry taking 0.5% of this.

The Ministry's net allocation for the FY 2009/2010 is **Kshs. 314,700,000** and appropriations-in-aid of kshs **1,050,000** for Recurrent Expenditure . The development expenditure is allocated a net of kshs **3,895,724,420** and appropriations-in-aid of kshs **118,000,000**.

Summary of Submission by the Minister

The Minister gave a brief overview of the Ministry and informed the committee that the Ministry's core engagement was coordination with other Ministries to spur development in the Northern Kenya and other Arid Lands and that the Ministry was undertaking flagship programmes in the fields of Education, Health, ICT, Water, Human Resource development, Road infrastructure, among others, which would be added over to respective line Ministries once they take off. The Ministry was also investing in peace and security in order to create an enabling environment to investors and also because these were determinant factors of the success of any other initiative that the Ministry would engage in. The Minister informed the Committee that the Ministry's budget was too meager because Treasury had not prioritized the Ministry and that even **the Kshs.4.4 billion for water infrastructure in the region stated by the Minister for Finance during his budget speech was neither provided in the Estimates of the Ministry nor the Ministry of Water and Irrigation.** The Minister further stated that even the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service had written to the Treasury in May impressing on the Ministry of Finance to allocate a separate budget (Kshs.5 billion) from the budgets allocated to the relevant Ministries to enable the Ministry achieve its mission of fast tracking the development of Northern

Kenya and other arid lands but that the Treasury had not provided any funds to that effect. Further, the Minister stated that Treasury does have regard to submissions by Ministries for budgets but makes allocations as it deems fit in its own standards and that allocations are done incrementally without putting into consideration the unique nature of each Ministry. This led to the Ministry leaving out seven key projects it had planned to carry out at a cost Kshs.7.8 billion.

The Minister informed the Committee that the Ministry was in the process of identifying viable economic activities and that others had already been identified and were being undertaken and implemented. The Ministry would do its best to utilize the limited resources allocated to it in order to carry out its mandate.

Committee Observations and Recommendations

In considering the estimates of the Ministry the Committee observed and recommends the following:

- a) The Ministry has only one Head under Recurrent expenditure (Head 197) and allocation to this Head has been increased from Kshs.196.3 million during the last FY to Kshs. 315.7 million which is a growth of 62%. **The Committee notes that this is alright as this is a new Ministry.**
- b) The Ministry's budget is too meagre because Treasury had not prioritized the Ministry. **The Committee recommends that in view of the need to capacitate the Ministry to carry out its mandate, the Ministry should in future be sufficiently funded so that the purpose for its establishment is realized.**
- c) The Kshs.4.4 billion for water infrastructure in the region stated by the Minister for Finance during his budget speech was not provided in the Estimates of the Ministry. **The Committee recommends that Treasury should**

honour its commitment and avail this money to enable the Ministry undertake intended projects.

- d) Further, the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service had written to the Treasury in May impressing on the Ministry of Finance to allocate a separate budget (Kshs.5 billion) from the budgets allocated to the relevant Ministries to enable the Ministry achieve its mission of fast tracking the development of Northern Kenya and other arid lands but that the Treasury had not provided any funds to that effect.
- e) Treasury disregarded submissions by Ministry for budgetary allocation and made allocations as it deemed fit in its own standards and the allocations are incremental without putting into consideration the unique nature of the Ministry which has led to the Ministry leaving out seven key projects it had planned to carry out at a cost Kshs.7.8 billion.
- f) The Ministry was working with other Ministries in an attempt to realize its objectives. **The Committee recommends that Ministries undertaking activities related to the Ministry of Development of Northern Kenya and other Arid Lands should ring-fence such projects and show what they have done in the areas. This is in order to guard against duplication of work or money being misappropriated under the guise of its having been allocated for development of Northern Kenya which may not be the case. The Ministry should also hand over any projects it carries out to the relevant Ministry upon completion to ensure such projects are effectively and effeciently managed.**
- g) Under Head 298 (Arid Resource Management Project – Development) the Committee noted that bulk of the develoment funds are voted in this head and that the finances are mainly from development partners. **The Committee recommends that the Ministry should assess the effectiveness of the programme and identify viable economic activities for undertaking and implementing. Further, the Ministry should do its best to utilize the limited resources allocated to it in order to achieve its mandate.**

- h) The Committee is on the whole agreeable to the Minister's proposal that a sum not exceeding kshs **314,700,000** be withdrawn from the Consolidated Fund to finance Recurrent Expenditure and a sum not exceeding kshs **3,895,724,420** withdrawn from the same to finance Development Expenditure under heads **197,283** and **298**.
- i) The Committee is also agreeable to the proposal to allow a sum not exceeding kshs **1,050,000** be collected as appropriations-in-aid to finance Recurrent Expenditure and a sum not exceeding kshs **118,000,000** be collected as appropriations-in-aid to finance development expenditure under the above stated heads.

2.3 MINISTRY OF REGIONAL DEVELOPMENT AUTHORITIES - VOTE 09

Functions

The Ministry of Regional Development Authorities is a key player in the Government's reform agenda. The Ministry has initiated a stakeholder driven regional policy after realizing that without an all encompassing policy, the Ministry would not effectively implement its mandate and effectively supervise the six Regional Development Authorities under its jurisdiction. Creation of the Regional Development Authorities was necessitated by the realization that regional development is critical in the reduction of poverty in Kenya. Functions of the Ministry include:

- a) Planning and coordination of regional development
- b) Formulation of regional development policy
- c) Facilitating the implementation of multi-sectoral integrated projects and programmes
- d) Monitoring and evaluating implementation of such projects and programmes.

The Ministry has six regional authorities under it and the bulk of its allocation is towards the authorities.

The Ministry's net allocation for the FY 2009/2010 is **Kshs. 835,080,400** and appropriations-in-aid of kshs **20,000** for Recurrent Expenditure . The development expenditure is allocated a net of kshs **2,582,067,210** and appropriations-in-aid of kshs **1,058,626,211**.

Summary of Submission by the Minister

The Minister informed the committee that the Ministry's mandate was cross-cutting and activities spread nationally though it so acutely neglected yet it could be used to coordinate with various Ministries to develop the whole country. Owing to lack of coordination there was a lot of duplication of work. The Ministry was also underfunded and regarded as less important hence not well funded to carry out its mandate. The Minister stated that the Ministry was in the process of reorganizing itself and that a cabinet paper on reorganization was awaiting cabinet approval.

Committee Observations and Recommendations

In considering the estimates of the Ministry the Committee observed and recommends the following:

- a) The Ministry was underfunded and could not therefore execute its mandate effectively. **The Committee recommends that the Treasury should in future increase allocations to the Ministry so that it does not continue underperforming.**
- b) Owing to lack of coordination between the Ministry and other Ministries there was a lot of duplication of work. **The Committee recommends that the Ministry**

and other concerned Ministries should undertake a harmonization exercise to avoid duplication of activities.

- c) The Ministry was in the process of reorganizing itself and a cabinet paper on reorganization was awaiting cabinet approval. **The Committee recommends that the Ministry should hasten the completion of the restructuring process to enable it function effectively.**
- d) Under Head 707 (TARDA) the Committee observed that Kiambere, Kaburu and Kindaruma power stations had been transferred to KenGen in 2000 at which time they were valued at Kshs.13.4 billion and though the current revenue realized from the sale of hydropower generated from both Kaburu, Kindaruma and Kiambere Dams is Kshs.4.2 billion per year but only Kshs.62 million is given to the Ministry per year which is not commensurate to the benefit KenGen gains from TARDA. Further assets belonging to TARDA held by KenGen at Kamburu, Kindaruma and Kiambere sites are valued at 285 million. KenGen was raising equity with free assets and not even giving back to the local communities and that public assets handed over to KenGen had been converted into private assets without any compensation. **The Committee recommends that KenGen should compensate the Ministry for its assets or the ownership reverts back to the Ministry. In addition, KenGen should compensate the TARDA in a manner that is commensurate to the benefit she derives from generation of hydro power. KenGen should also undertake Corporate Social Responsibility activities in an effective manner (around TARDA and KVDA) as a good corporate citizen.**
- e) Regional Authorities were not effectively collecting appropriation –in-aid yet they could exploit existing opportunities and make themselves self reliant instead of relying on the Exchequer. TARDA could for instance initiate farming activities along the Tana Delta. **The Committee recommends that Regional Authorities should explore ways of becoming self sufficient through undertaking financial gainful activities.**

- f) Under Heads 523 and 455 (Development), all the money for economic stimulus is allocated to headquarter (Kshs.600, 000 million) and KVDA (Kshs.1, 000,000,000). The rationale of putting more than half a billion Kenya shillings at the headquarters is unclear yet the stimulus money is most needed at the grassroots. It is also unclear why a whole one billion Kenya shillings was given to KVDA yet all other authorities require the money too. **The Committee recommends that economic stimulus activities should clearly be defined and economically viable in order to realize value for money and achieve the objective of allocating the funds. The Ministry should move with speed and execute its commitment to put 1010 acres of land under irrigation in Turkwel, Aror and Masol during the first year (using the Kshs.1 billion Allocated to KVDA) while the Kshs. 600,000 allocated to headquarters should be distributed to all authorities equitably.**
- g) On the whole, the Committee is agreeable to the Minister's proposal that a sum not exceeding kshs **835,080,400** be withdrawn from the Consolidated Fund to finance Recurrent Expenditure and a sum not exceeding kshs **2,582,067,210** withdrawn from the same to finance Development Expenditure under heads **523,753,804,455,573,707,989,992,993, and 994.**
- h) The Committee is also agreeable to the proposal to allow a sum not exceeding kshs **20,000** to be collected as appropriations-in-aid to finance Recurrent Expenditure and a sum not exceeding kshs **1,058,626,211** be collected as appropriations-in-aid to finance development expenditure under the above stated heads.

Functions

The Ministry of Cooperative Development falls under the sector of Agriculture and Rural Development and contributes significantly to the country's GDP. It formulates and implements appropriate policy guidelines, legal framework and development programmes for the cooperative sector.

The Ministry's net allocation for the FY 2009/2010 is **Kshs. 923,000,000** and appropriations-in-aid of kshs **11,000,000** for Recurrent Expenditure . The development expenditure is allocated a net of kshs **223,200,000** with no appropriations-in-aid

Summary of Minister's Submission

The Minister gave a brief presentation on the general overview of the Ministry of Cooperative Development and Marketing and stated that the Ministry had had a troubled past as a department that kept being shifted from one sector to another leading to loss of both human and other resources and low staff morale among other challenges. The Minister further informed the Committee that the SACCO movement which fell under the Ministry controlled about 40% of the National and about 30% of National Saving hence the key role of the sector in realizing the vision 2030 goals.

The Minister also informed the Committee that as a result of expansion of the cooperative movement, there was growing need for the Ministry's services. The Committee also heard that the Government, through the Ministry, had resuscitated KCC and renamed it New KCC and that the Ministry was in the process of establishing a policy to restructuring of ailing public owned cooperatives. The Ministry wanted to restructure KPCU at a cost of Kshs.600million.

Committee Observations and Recommendations

In considering the estimates of the Ministry the Committee observed and recommends the following:

- a) Under Head 700 (Cooperative Marketing - Recurrent), the Committee noted that there is inclusion of a new item of research, feasibility studies, project preparation and design and project supervision allocated Kshs. 1.5 million. **The Committee recommends that the research function should be strengthened including through increased funding in for purposes of venturing into new markets. The Committee also recommends that Kenya Farmers Association (KFA) should be under the Ministry and that marketing of farm inputs be left to the Ministry and be done through KFA.**
- b) Under Heads 708 and 709 (Extension Services) the Committee observed with concern though the mandate of the Ministry is executed through extension support services, the function is inadequately funded and the the Ministry has acute shortage of vehicles making it hard to offer efficient services with the problem being compounded by the creation of so many new districts.
- c) Under Heads 710, 823 and 824 (Audit Services) the Committee observed that the Ministry was not generating any material AIA yet it conducted audits at a fee. The Committee was also concerned that though the Government had since 2004 allowed cooperative societies to appoint their own auditors, the Ministry did not have proper mechanisms for supervision and or regulation. Even the capacity of the Ministry's officials to exercise supervision was also in doubt which could expose cooperators to quack auditors and collusion by unscrupulous cooperatives societies' management officials. **The Committee recommends that the Ministry should carry out an inventory of credible auditors and recommend to the various cooperative societies a pool of certified**

auditors from whom to choose. A certain percentage of the total fee that the pre-qualified auditors charge should be surrendered to the Ministry which would enable the Ministry generate AIA.

- d) Under Head 711 (Cooperative Education and Training Programmes) the Committee recommends that the Ministry should generate enough AIA through the Cooperative College to enable the college become self sustaining rather than burden the Government with funding the college to undertake activities such as construction of buildings.
- e) The Committee is agreeable to the Minister's proposal that a sum not exceeding kshs 923,000,000 be withdrawn from the Consolidated Fund to finance Recurrent Expenditure and a sum not exceeding kshs 223,000,000 withdrawn from the same to finance Development Expenditure under heads 161,571,673,705,587,589,700,706,708,709,710,823,824 and 711.
- f) The Committee is also agreeable to the proposal to allow a sum not exceeding kshs 11,000,000 to be collected as appropriations-in-aid to finance Recurrent Expenditure under the above stated heads.

2.5 MINISTRY OF AGRICULTURE - VOTE 10

The Ministry's net allocation for the FY 2009/2010 is **Kshs. 7,663,876,960** and appropriations-in-aid of kshs **135,261,022** for Recurrent Expenditure . The development expenditure is allocated a net of kshs **4,048,430,000** with and appropriations-in-aid of kshs **1,625,188,629**.

Overview

The importance of the Agriculture sector to the economy is key, indeed, it is the backbone of Kenya. The sector contributes 27% of the GDP and supports most of the other sectors that contribute to the GDP, such as manufacturing and service sectors,

through production of raw materials. It is the sector that supplies most of the food for majority of Kenyans and its underperformance results in importation of food which costs the Government dearly. Additionally, through export of agricultural products, the country is able to earn foreign exchange. It is therefore evident that Government investment in the sector would yield good return on investment.

However, over the years, the sector has been grossly underfunded. The sector which includes Agriculture, Livestock Development, Cooperative Development and Marketing, Lands, Forestry and Wildlife, and Fisheries Development is allocated a paltry 3.49% of the entire budget. Although the Ministry of Agriculture takes the biggest share of the 3.49%, i.e 44.6%, bulk of the resources go to financing transfers to state corporations.

Summary of Minister's Submission

The Minister made a brief presentation on the general overview of the Ministry of Agriculture and highlighted the key issues as follows: -

- i) The Ministry has continued to be under-funded over the years despite playing a crucial role in the economic growth; the ministry has received far much less than what is required;
- ii) The inability of the Pyrethrum Board of Kenya to meet its obligations due to the very many arrears owed to farmers, staff salary arrears and over-staffing; the Board spends about Ksh. 38 million while it only generates revenue of about Ksh. 18 million;
- iii) In order to increase agricultural productivity, the ministry had made a proposal for a de-silting equipment worth 9 billion to be paid in installments by Treasury, which will assist in de-silting old dams so as to provide an avenue for water harvesting; it will also assist in constructing more dams;
- iv) In one-month's time, regulations on Agro-forestry will be gazetted in order to require farmers to plant Trees on portions of their land and will also include the possible removal of persons from riparian areas (water catchment areas);
- v) The ministry was disappointed by the inordinate delay and the failure by the Attorney General to finalize the drafting of the Coffee Bill.

Committee Observations and Recommendations

In considering the estimates of the Ministry the Committee observed and recommends the following:

- a) a) Under Head 502 (Food Security and management programme 'Njaa Marufuku Kenya'), the Committee while referring to the Public Accounts Committee Report of 2004/ 2005 and noting the importance of the Njaa Marufuku programme observed the need to put in place mechanisms for extending the programme to whole country as is the case with the 'Kazi kwa Vijana' programme.
- b) The Committee observed that there were no comprehensive details on Agricultural Mechanization Services (AMS) in terms of status, type and value of machines held by AMS country wide.
- c) The Committee observed that there was no harmonization and coordination of funds for research services provided by the Kenya Research Institute (KARI) in the Ministry and especially those relating to other Ministries such as veterinary research services. The Committee recommends that veterinary research services should be placed under the Ministry of Livestock Development even if such services are undertaken by KARI.
- d) The Committee also observed with concern that small percentage of funds allocated to the agricultural sector compared with other sectors and **recommends that this should be reviewed to ensure equity and avoid lopsided provisions.**
- e) The Committee noted that more funds were allocated to Coffee Board of Kenya yet the institution should be able to generate own funds. **The Committee recommends that the institution should reduce its overreliance on exchequer issues by engaging in financial gainful activities.**

- g) The Committee is agreeable to the Minister's proposal that a sum not exceeding kshs **7,663,876,960** be withdrawn from the Consolidated Fund to finance Recurrent Expenditure and a sum not exceeding kshs **4,048,430,000** withdrawn from the same to finance Development Expenditure under heads **190, 191, 193, 195, 228, 198, 230, 238, 596, 235, 502, 202, 229, 255, 260, 638, 639, 661, 759, 254, 257, 258, 259, 261 and 247.**
- f) The Committee is also agreeable to the proposal to allow a sum not exceeding kshs **135,261,022** to be collected as appropriations-in-aid to finance Recurrent Expenditure and a sum not exceeding kshs **1,625,188,629** be collected as appropriations-in-aid to finance Recurrent Expenditure under the above stated heads.

2.5 MINISTRY OF LIVESTOCK DEVELOPMENT - VOTE 19

Functions

The Ministry of Livestock development plays the role of formulation, implementation and monitoring of livestock development policies, development and coordination of livestock development programmes and management and control of animal diseases and pests. Livestock rearing supports a large segment of the Kenya population hence the need for Government investment in the sub-sector. The sub-sector is key to the attainment of Kenya's development agenda. Specific functions of the Ministry are:

- a) Livestock policy
- b) Development of livestock industry
- c) Development of livestock marketing systems
- d) Range development and management
- e) Veterinary services and disease control
- f) Livestock production and extension services

- g) Livestock branding
- h) Promotion of beekeeping industry
- i) Support for development of abattoirs.

Parastatals under the Ministry are Kenya Dairy Board, Kenya Meat Commission and Kenya Veterinary Vaccine Production Centre.

The Ministry's net allocation for the FY 2009/2010 is **Kshs. 3,147,400,000** and appropriations-in-aid of kshs **24,489,500** for Recurrent Expenditure. The development expenditure is allocated a net of kshs **1,232,060,230** with and appropriations-in-aid of kshs **264,590,268**.

Summary of Minister's Submission

The Minister made a brief presentation on the general overview of the ministry of Livestock Development and highlighted the key issues as follows: -

- (i) The Livestock industry is a major component of the wider Agricultural sector contributing about 12% to the National Gross Domestic Product (GDP) and 42% of the total agricultural GDP.
- (ii) The major challenges facing the ministry include:
 - Under-funding – Low funding levels;
 - Understaffing – the ministry has not recruited technical staff since 1988. Over 75% of the workforce is aged between 45 and 54 years, posing acute succession management challenges;
 - Transport – the ministry's activities are field-based and country wide and requires efficient vehicle fleet;
 - Disease outbreaks – Kenya experienced escalating outbreaks especially in the last two years, resulting in the imposition of disease-related export restrictions;
 - Recurrent droughts, insecurity in livestock producing areas etc.
 - The resource allocation gap of Ksh. 5 billion has impacted negatively on the establishment of Disease Free Zones, Livestock extension services, recruitment of key technical staff, construction of satellite abattoirs and livestock disease control.

Committee Observations and Recommendations

In considering the estimates of the Ministry the Committee observed and recommends the following:-

- a) Since its being revived the Kenya Meat Commission (KMC) is only functional at the Athi River Branch due to underfunding. The survival of the institution largely depends on the creation of Disease Free Zones. **The Committee recommends that Treasury should provide the funds for the creation of Coast Disease Free Zones that were provided for in this Financial Year as per the Budget Strategy Paper presented by the Minister for Finance.**
- b) The project that was established to purchase and manage livestock is not properly managed and that animals bought in 2006 had not been sold. The Committee deplored the manner in which the Ministry explained it planned to sale the animals in order to salvage them during this Financial Year (without providing ALA in the Budget and without legally establishing the fund through gazette Notice to deposit the sale proceeds. **The Committee recommends that the Ministry should carry out a proper economic analysis of the project and legally establish the Fund through a Gazette Notice**
- c) There were livestock activities classified under the Ministry of Agriculture to the disadvantage of the Ministry of Livestock even with instances of more allocations being channeled to agricultural activities in districts where livestock activities are more viable. Further, due to lack of rationalization of allocation of resources between the Ministry and the Agriculture Ministry, the Ministry of Livestock Development had been disadvantaged. **The Committee recommends that the Government should rationalize allocation of resources between the two Ministries to ensure equity so that the Livestock sub-sector is not disadvantaged.**

Committee recommends that the Government should rationalize allocation of resources between the two Ministries to ensure equity so that the Livesock sub-sector is not disadvantaged.

- h) The Committee is agreeable to the Minister's proposal that a sum not exceeding kshs 3,147,400,000 be withdrawn from the Consolidated Fund to finance Recurrent Expenditure and a sum not exceeding kshs 1,232,060,230 withdrawn from the same to finance Development Expenditure under heads 185, 186, 640, 641, 224, 232, 226, 280, 291, 407, 408, 451, 462, 463, 465, 466, 473, 474, 477, 478, 543, 631, 286, 290, 426, 431, 432, 437, 445, 446, 447, 448, 467, 468, 471, 472, 481, 490, 549, 551, 552, and 553.
- g) The Committee is also agreeable to the proposal to allow a sum not exceeding kshs 24,489,500 to be collected as appropriations-in-aid to finance Recurrent Expenditure and a sum not exceeding kshs 264,590,268 be collected as appropriations-in-aid to finance Recurrent Expenditure under the above stated heads.

Mr. Speaker,


3. CONCLUSION

The Committee noted that there is need for harmonization and rationalization between the various Government Ministries and Departments that fall under the oversight of the Committee to avoid duplication of work. The need for increased funding is also obvious but the Ministries must also endeavour to raise AIA.

The Committee is grateful to your office and the office of the Clerk for extending to the Committee the necessary support that made possible the production of this report. The Committee also wishes to thank all the Six Ministers for their cooperation and

appearance whenever requested to appear. I would also like to thank the Members of the Committee for their active participation during Committee deliberations and their availability whenever meetings were called.

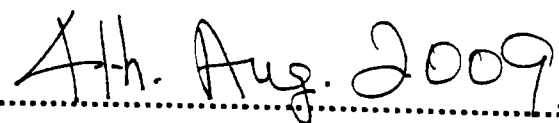
On behalf of the Departmental Committee on Agriculture, Livestock and Cooperatives, I now present and commend this report to the House pursuant to the provisions of Standing Orders.

SIGNED.....

HON. JOHN MUTUTHO, MP

CHAIRPERSON

DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND
COOPERATIVES

DATE.....

MINUTES OF THE FIFTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVE DEVELOPMENT HELD ON TUESDAY 7TH JULY 2009 IN ROOM 119, FIRST FLOOR, KICC 9, AT 10.00 AM

PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. Lucas Chepkitony (Vice-chairman)
The Hon. Peris Chepchumba, MP
The Hon. John. D. Pesa, MP
The Hon. Benson Mbai, MP
The Hon. Kambi Kazungu, MP

ABSENT WITH APOLOGY

The Hon. Robert Monda, MP
The Hon. Erastus Mureithi, MP

ABSENT

The Hon. Evans Akula, MP
The Hon. Fred Outa, MP
The Hon. Victor K. Munyaka, MP

IN-ATTENDANCE NATIONAL ASSEMBLY

Mrs. Serah Kioko - First Clerk Assistant
Mr. Hemed Mohamed - Parliamentary Intern

MIN 23/2009 PRELIMINARY

The meeting was opened with a word of prayer.

The Chairman introduced the Members of the Committee and apprised the meeting on the mandate of the Committee and rules governing operation of Committees as per the Standing Orders.

MIN 24/2009: CONFIRMATION OF MINUTES

Confirmation of minutes of the fourth sitting was postponed to a later date.

MIN 25/2009:

SCRUTINY OF THE ESTIMATES OF EXPENDITURE FOR THE MINISTRY OF
FISHERIES DEVELOPMENT FOR THE FINANCIAL YEAR ENDING JUNE 30TH
2010

The Hon. (Dr.) Paul Otuoma, EGH, MP, Minister for Fisheries Development appeared before the Committee accompanied by Professor Japhet Micheni Permanent Secretary, Ministry of Fisheries development; Messrs: W.M.Gichuri, Principal Fisheries Officer; S.W. Warui, Principal Fisheries Officer; G.V. Monor, Director of Fisheries; Mr. Z.A.Onyiego, Head of Planning; J.N.Nzau, Head of Administration; S.K.Macharia, Chief Fisheries Officer-Aquaculture; S.N.Ombachi, Finance Officer; and S.N.Mwangi, Chief Finance Officer.

The Minister gave a brief history of the Ministry and informed the committee that prior to its becoming a fully pledged Ministry in 2007, it had been shifted from Ministry to Ministry (then as the Department of Fisheries. As a result of the movement, the ministry had lost most of its institutional memory including human capital as well as resources such as its training center in Naivasha. The Minister informed the Committee that the Ministry's enabling Act, Cap 378 was too archaic having been enacted during the colonial era hence it was not effective. Additionally, the Ministry's budget was too meager (Only Kshs.2.9 allocated though the Ministry had requested for Kshs.4.5 billion) to enable the Ministry undertake any meaningful gainful activities and that had the Ministry been adequately funded would undertake gainful activities and contribute a great deal to food production to ensure food security. The Minister, the Minister added, needed to construct a quality-internationalized laboratory in Kenya and to enter into negotiations with the European Union for purposes of value addition and enabling Kenya to compete and tap into the international fish market. The Minister explained the Ministry was in dire need of financing to undertake fish farming and aquaculture (for aquaculture, he said it requires 28 million of fingerlings to stock fishponds). Coupled with the above challenges was the fact that the Ministry lacked capacity and resources, whether human, financial or otherwise to sustainably exploit the fisheries resource and for monitoring, control and surveillance of marine zones and Kenyan waters. The Committee was also informed that due to under-funding the Kenya Marine and Fisheries Research Institute (KEMFRI) could not function optimally owing to lack of funds. Even the task force on delineation of our Exclusive Economic Zone (EEZ) which should be anchored under KEMFRI was anchored nowhere. The Minister stated that in order to address the challenges facing the Ministry, he had already submitted a policy paper to the cabinet which had been approved and that he would introduce a bill in Parliament to ensure the policy is anchored into law. The Minister stated that to ensure effective surveillance, monitoring and control, the Ministry would need to establish a fully pledged marine inspectorate department and recruit competent surveillance personnel wholly under the Ministry and not any other department of Government.

The Committee examined the Estimates of the Ministry by considering vote 56 head by head and approved the same after making a number of observations as indicated hereunder.

The Committee observed with concern that the Ministry was so grossly underfunded reducing it to almost a net consumer yet if funded adequately this was a Ministry with potential to

generate wealth and contribute immensely to the National grid. The Committee recommends that the Treasury should in future increase funding to the Ministry so that it does not remain just a consumer of resources owing to being allocated too little money to carry out gainful activities including building a fish research certification lab and Ministries own headquarters.

The Committee was also concerned that that although the Ministry would raise a lot of Appropriation in Aid (AIA) through patrolling the sea, this was not the case since this function fell under another department of Government. The Committee recommends that the Ministry should establish a fully pledged marine inspectorate department and recruit competent surveillance personnel wholly under the Ministry and not any other department of Government.

The Committee was also concerned that the Ministry's workforce was largely low cadre staff who are redundant and willing to be retrenched yet there was no money to retrench the low cadre staff, recruit and remunerate competent personnel especially scientists for research at KEMFRI.

The committee also concerned that some activities that fall under the purview of the Ministry were being undertaken and coordinated by other department of Government who were not accountable to the Ministry. The Committee recommends that the Ministry should be left to carry out and or coordinate activities within its jurisdiction for purposes of ensuring effectiveness in service delivery.

The Committee further recommends that the Minister should move with speed and introduce a Bill in Parliament in order to ensure effective legislative framework is in place to enable the Ministry function as it ought to. The Committee also recommends that the Government should compensate the Ministry for the loss of its training school in Naivasha and that the Ministry should build a new school on the alternative ground.

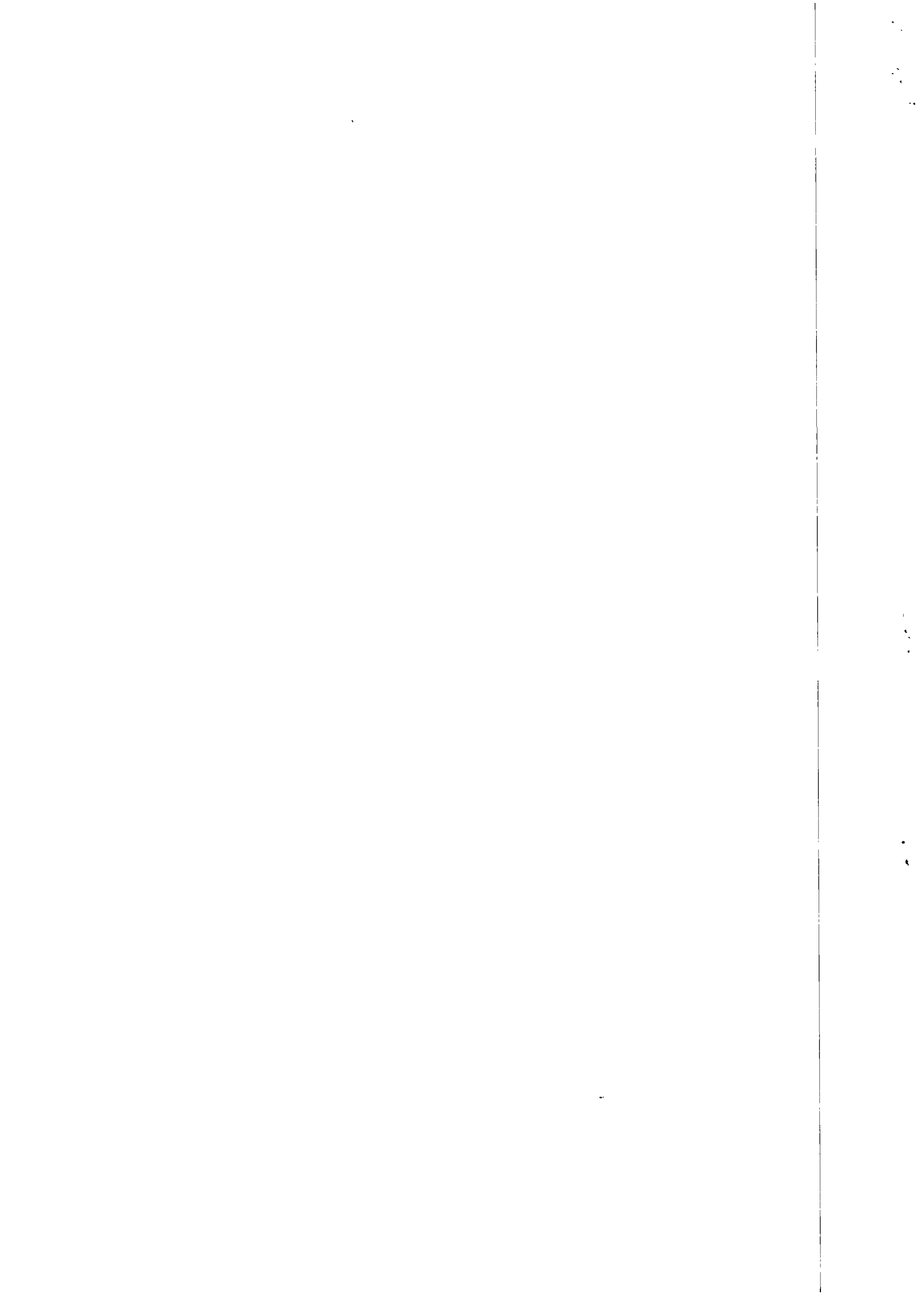
MIN 26/2009

ADJOURNMENT

The Chairman adjourned the meeting at five minutes past three O'clock until Wednesday July 08 2009 at 10.00 a.m.

SIGNED: HON. JOHN MUTUTHO, MP

DATE: 5TH AUGUST 2009



MINUTES OF THE SIXTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE,
LIVESTOCK AND COOPERATIVE DEVELOPMENT HELD ON WEDNESDAY 8TH JULY 2009 IN
ROOM 119, FIRST FLOOR, KICC 9, AT 10.00 AM

PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. Lucas Chepkitony, MP (Vice-chairman)
The Hon. (Dr.) Robert Monda, MP
The Hon. Benson Mbai, MP
The Hon. Kambi Kazungu, MP
The Hon. John D. Pesa, MP
The Hon. Evans Akula, MP
The Hon. Erastus Mureithi, MP

ABSENT WITH APOLOGY

The Hon. Peris Chepchumba, MP

ABSENT

The Hon. Fred Outa, MP
The Hon. (Dr.) Victor K. Munyaka, MP

IN-ATTENDANCE: NATIONAL ASSEMBLY

Mr. Patrick G. Gichohi, CBS	-	Clerk of the National Assembly
Mrs. Serah Kioko	-	First Clerk Assistant
Mr. Nicodemus Odongo	-	Budget Officer
Mr. Hemed Mohamed	-	Parliamentary Intern

MIN 27/2009 PRELIMINARY

The meeting was opened with a word of prayer.

The Chairperson informed the Committee that the Minister of State for the Development of Northern Kenya had requested to appear before the Committee at 11.00 a.m. that day because he would not manage to be at the venue of the meeting by 10.00 a.m. owing to other pressing engagements.

MIN 28/2009: CONFIRMATION OF MINUTES

Confirmation of minutes of the fourth and fifth sittings was postponed to a later date.

MIN 30/2009: ADJOURNMENT

The committee waited for the Minister of State for the Development of Northern Kenya and other Arid Lands until forty-five minutes past Eleven O'clock and upon the Minister failing to arrive as promised resolved to have the meeting adjourned until 2: 30 pm that day. The Committee expressed displeasure at the Minister's lateness.

The Chairman adjourned the meeting at forty-five minutes past Eleven O'clock until 2.30 pm that day

AFTERNOON SESSION

PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. Lucas Chepkitony, MP (Vice-chairman)
The Hon. Benson Mbai, MP
The Hon. John D. Pesa, MP
The Hon. Evans Akula, MP
The Hon. Erastus Mureithi, MP

ABSENT WITH APOLOGY

The Hon. Peris Chepchumba, MP

ABSENT

The Hon. Fred Outa, MP
The Hon. (Dr.) Robert Monda, MP
The Hon. (Dr.) Victor K. Munyaka, MP
The Hon. Kambi Kazungu, MP

IN-ATTENDANCE: NATIONAL ASSEMBLY

Mrs. Serah Kioko	-	First Clerk Assistant
Mr. Nicodemus Odongo	-	Budget Officer
Mr. Hemed Mohamed	-	Parliamentary Intern

MIN 31/2009 PRELIMINARY

The meeting was opened with a word of prayer.

The Chairman introduced the Members of the Committee and apprised the meeting on the mandate of the Committee and rules governing operation of Committees as per the Standing Orders.

MIN 32/2009: SCRUTINY OF THE ESTIMATES OF EXPENDITURE FOR THE MINISTRY OF STATE FOR THE DEVELOPMENT OF NORTHERN KENYA AND OTHER ARID LANDS (VOTE 58) FOR THE FINANCIAL YEAR ENDING JUNE 30TH 2010

The Hon. Mohamed Elmi , EGH, MP, Minister of State for the Development of Northern Kenya and other Arid Lands appeared before the Committee accompanied by Messrs: Mary Ngair, CBS, Permanent Secretary; Davis Mwaruma, Deputy Secretary; Fatuma Abdukadir, Coordinator, Arid Lands Project; Rael Rotich, Head, Human Resource Department, Margaret Njoroge, Procurement Officer; Eunice Nyakawa, Deputy Finance Officer; Ruth Rathii, Finance Officer and Paul Obunde, Principal Economist

The Minister gave a brief overview of the Ministry and informed the committee that the Ministry's core engagement was coordination with other Ministries to spur development in the Northern Kenya and other Arid Lands and that the Ministry was undertaking flagship programmes in the fields of Education, Health, ICT, Water, Human Resource development, Road infrastructure, among others, which would be added over to respective line Ministries once they take off. The Ministry was also investing in peace and security in order to create an enabling environment to investors and also because these were determinant factors of the success of any other initiative that the Ministry would engage in. The Minister informed the Committee that the Ministry's budget was too meager because Treasury had not prioritized the Ministry and that even the **Kshs.4.4 billion for water infrastructure in the region stated by the Minister for Finance during his budget speech was neither provided in the Estimates of the Ministry nor the Ministry of Water and Irrigation.** The Minister further stated that even the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service had written to the Treasury in May impressing on the Ministry of Finance to allocate a separate budget (Kshs.5 billion) from the budgets allocated to the relevant Ministries to enable the Ministry achieve its mission of fast tracking the development of Northern Kenya and other arid lands but that the Treasury had not provided any funds to that effect. Further, the Minister stated that Treasury does have regard to submissions by Ministries for budgets but makes allocations as it deems fit in its own standards and that allocations are done incrementally without putting into consideration the unique nature of each Ministry. This led to the Ministry leaving out seven key projects it had planned to carry out at a cost Kshs.7.8 billion.

The Minister informed the Committee that the Ministry was in the process of identifying viable economic activities and that others had already been identified and were being undertaken and implemented. The Ministry would do its best to utilize the limited resources allocated to it in order to carry out its mandate.

The Committee examined the Estimates of the Ministry by considering vote 58 head by head and approved the same after making a number of observations as indicated hereunder.

The Committee observed with concern that the Ministry was so grossly underfunded hence undermining the objective of establishing it. The Committee was also concerned that though the Minister for Finance had indicated in his Budget Speech that money had been allocated for water infrastructure in the Northern Kenya and other arid lands, no such funds were provided to the Ministry. The Committee recommends that in view of the need to capacitate the Ministry to carry out its mandate, the Ministry should in future be sufficiently funded so that the purpose for its establishment is realized.

The Committee also recommends that Ministries undertaking activities related to the Ministry of Development of Northern Kenya and other Arid Lands should ring-fence such an activity and show what they have done in the areas. This is in order to guard against duplication of work or money being misappropriated under the guise of its having been allocated for development of Northern Kenya which may not be the case.

MIN 33/2009: ADJOURNMENT

The Chairman adjourned the meeting at five minutes past three O'clock until Wednesday July 08 2009 at 10.00 a.m.

SIGNED: HON. JOHN MUTUTHO
(CHAIRPERSON)

DATE: 5TH AUGUST 2009

MINUTES OF THE SEVENTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVE DEVELOPMENT HELD ON THURSDAY 9TH JULY 2009 IN ROOM 119, FIRST FLOOR, KICC, AT 10.00 AM

PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. Lucas Chepkitony, MP (Vice-chairman)
The Hon. Benson Mbai, MP
The Hon. Kambi Kazungu, MP
The Hon. John D. Pesa, MP
The Hon. Evans Akula, MP
The Hon. Erastus Mureithi, MP
The Hon. Peris Chepchumba, MP

ABSENT

The Hon. Fred Outa, MP
The Hon. (Dr.) Victor K. Munyaka, MP
The Hon. (Dr.) Robert Monda, MP

IN-ATTENDANCE: NATIONAL ASSEMBLY

Mrs. Serah Kioko	-	First Clerk Assistant
Mr. Nicodemus Odongo	-	Budget Officer
Mr. Hemed Mohamed	-	Parliamentary Intern

MIN 34/2009 PRELIMINARY

The meeting was opened with a word of prayer.

The Chairman introduced the Members of the Committee and apprised the meeting on the mandate of the Committee and rules governing operation of Committees as per the Standing Orders.

MIN 35/2009: CONFIRMATION OF MINUTES

Confirmation of minutes of the fourth, fifth and sixth sittings was postponed to a later date.

MIN 36/2009: SCRUTINY OF THE ESTIMATES OF EXPENDITURE FOR THE MINISTRY OF REGIONAL DEVELOPMENT AUTHORITIES (VOTE 09) FOR THE FINANCIAL YEAR ENDING JUNE 30TH 2010

The Hon. Fredrick Gumo, EGH, MP, Minister for Regional Development Authorities appeared before the Committee accompanied by: Eng. Carey Orege, Permanent Secretary; Messrs: Ntonyira Mwingirwa, Chief Economist; John Misiga, Chief Finance Officer; Wilhem Ogala, Ag. Deputy Director; Henry Ondara, Senior Principal Accounts Controller.

The Minister informed the committee that the Ministry's mandate was cross-cutting and activities spread nationally though it so acutely neglected yet it could be used to coordinate with various Ministries to develop the whole country. Owing to lack of coordination there was a lot of duplication of work. The Ministry was also underfunded and regarded as less important hence not well funded to carry out its mandate.

The Minister stated that the Ministry was in the process of reorganizing itself and that a cabinet paper on reorganization was awaiting cabinet approval.

The Committee examined the Estimates of the Ministry by considering vote 09 head by head and approved the same after making a number of observations as indicated hereunder.

The Committee was concerned that Local Communities were not benefiting from activities of Development Authorities situated in those areas. Masinga was cited as an example where the residents did not in any way benefit from the activities of TARDA though Masinga dam is in that area. The Committee was also concerned that Kiambere and Masinga Dams power stations had been transferred to KenGen in 2000 at which time they were valued at Kshs.13.4 billion. The Committee was also concerned that though the current revenue realized from the sale of hydropower generated from both Masinga and Kiambere Dams is Kshs.4.2 billion per year and that assets constructed by TARDA held by KenGen at Masinga, Kamburu and Kiambere sites are valued at 285 million, only Kshs.62 million is given to the Ministry per year. The Committee noted with concern that KenGen was raising equity with free assets and not even giving back to the local communities and that public assets had been converted into private assets without any compensation. The Committee recommends that KenGen should compensate the local Communities and undertake Corporate Social Responsibility activities in an effective manner (around TARDA and KVDA) as a good corporate citizen

There Committee also expressed concern that all the money for economic stimulus was allocated to head quarter (Kshs.600, 000 million) and KVDA (Kshs.1, 000,000,000). The Committee queried the rationale of putting more than half a million Kenya shillings at the headquarters yet the stimulus money would be most needed at the grassroots. It was also unclear why a whole one billion Kenya shillings was given to KVDA yet all other authorities required the money too. The Committee further recommends that the Ministry should focus on ensuring equitable development in all regions and ensure it does not duplicate what other Ministries are doing. The Committee further recommends that the Ministry should come up with clearly defined and economically viable activities to be undertaken with these funds in order to realize value for money.

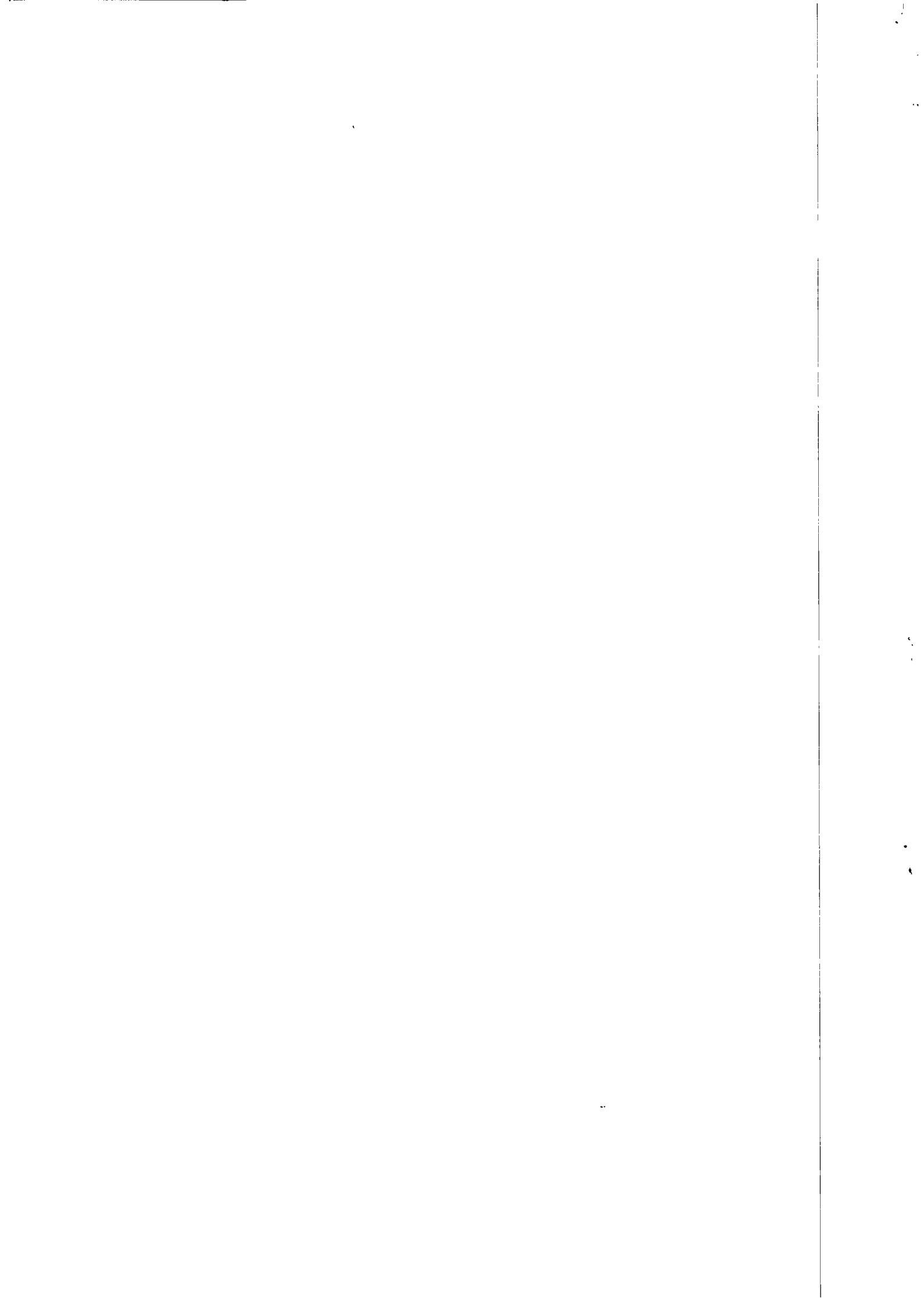
MIN 37/2009

ADJOURNMENT

There being no other business, the Chairperson adjourned the meeting at fifty-five minutes past One O'clock until Monday July 13 2009 at 10.00 am.

SIGNED: HON. JOHN MUTUTHO
(CHAIRPERSON)

DATE: 5TH AUGUST 2009



MINUTES OF THE EIGHTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE,
LIVESTOCK AND COOPERATIVE DEVELOPMENT HELD IN COUNTY HALL MAIN CONFERENCE
ROOM ON MONDAY 13TH JULY 2009 AT 10:00 AM

MEMBERS PRESENT

The Hon. John Mututho, MP (Chairperson)
The Hon. (Dr.) Robert Monda, MP
The Hon. (Dr.) Victor Munyaka, MP
The Hon. Kambi Kazungu, MP
The Hon. Benson Mbai, MP

ABSENT

The Hon. Lucas Chepkitony, MP
The Hon. Fred Outa, MP
The Hon. Peris Chepchumba, MP
The Hon. Evans Akula, MP
The Hon. Erastus Mureithi, MP
The Hon. John D. Pesa, MP

NATIONAL ASSEMBLY

Mrs. Serah Kioko	First Clerk Assistant
Mr. Nicodemus Odongo	Budget Officer
Mr. Hemed Mohamed	Parliamentary Intern

MIN 38/2009

PRELIMINARY

The meeting was opened with a word of prayer.

The Chairman introduced the committee members and informed the meeting that though the Permanent Secretary and other Ministry officials had come for the meeting, that the committee could not proceed with its deliberations on the Estimates for the Ministry of Agriculture because the Minister for Agriculture who was scheduled to brief the Committee on the Estimate was not present.

MIN 39/2009

ADJOURNMENT

Arising from the failure of the Minister for Agriculture to appear before the Committee as requested, the Chairperson adjourned the meeting at forty-five minutes past Ten O'clock until 2:30 pm on the same day in order to allow the Minister time to appear before the Committee.

AFTERNOON SESSION

PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. Victor Munyaka, MP
The Hon. Kambi Kazungu, MP
The Hon. Benson Mbai, MP

ABSENT

The Hon. Lucas Chepkitony, MP
The Hon. Fred Outa, MP
The Hon. Peris Chepchumba, MP
The Hon. Evans Akula, MP
The Hon. Erastus Mureithi, MP
The Hon. John D. Pesa, MP
The Hon. Robert Monda, MP

NATIONAL ASSEMBLY

Mrs. Serah Kioko	First Clerk Assistant
Mr. Nicodemus Odongo	Budget Officer
Mr. Hemed Mohamed	Parliamentary Intern

MIN 40/2009

PRELIMINARY

The meeting was opened by a word of prayer.

Chairperson apprised the meeting on the rules that govern Committee operations and noted with concern that even after the Committee having had to adjourn earlier in the day to await the arrival of the Minister for Agriculture, the Minister had not arrived. The Committee expressed concern that though Members had sacrificed the time they ought to have been with their constituents (especially on a Monday) in order to be in for the meeting both in the morning and in the afternoon, the Minister had failed the Committee by not availing himself for the meeting. The Committee further observed that no valid reason had been provided to justify the absence of the Minister. The Committee was further concerned that time for scrutinizing the budget was fast running out and that the Minister was being insensitive to this. The Committee recalled that under Section 23 (2) of the National Assembly (Powers and Privileges) Act, Cap 6, it was an offence for anyone required to attend a sitting of the House or Committee to fail to do so.

The Committee consequently resolved to adjourn and instructed that the Minister for Agriculture appears before them on Wednesday July 15 2009 at 10.00am and 2.30 pm.

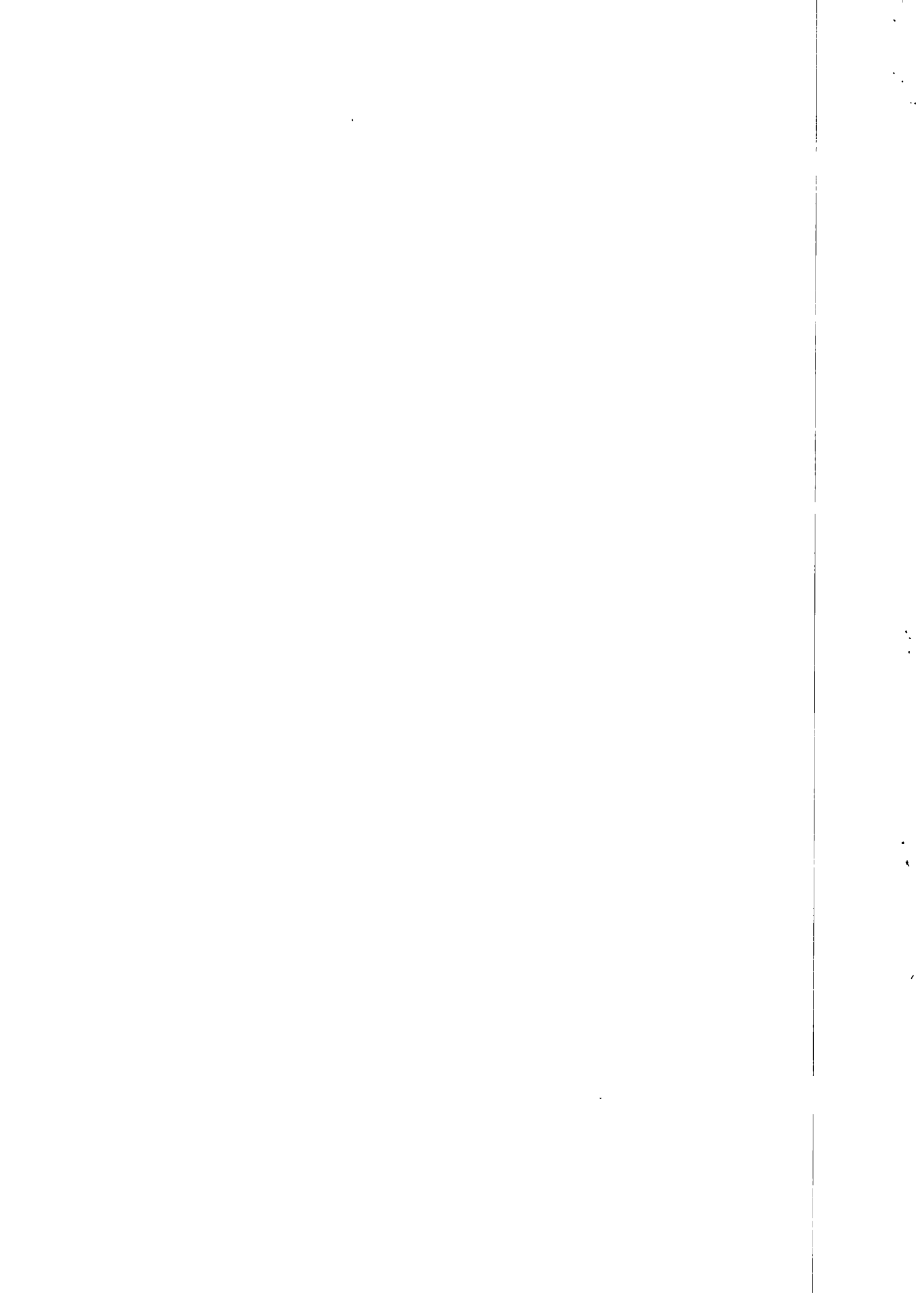
MIN 41/2009

ADJOURNMENT

The Chairperson adjourned the meeting at fifty-five minutes past Two O'clock until Wednesday July 15 2009 at 10.00 am.

SIGNED: HON. JOHN MUTUTHO
(CHAIRPERSON)

DATE: 5TH AUGUST 2009



MINUTES OF THE NINTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE,
LIVESTOCK AND COOPERATIVE DEVELOPMENT HELD IN COMMITTEE ROOM NO. 113, FIRST
FLOOR KICC, ON TUESDAY 14TH JULY 2009 AT 10:00 AM

MEMBERS PRESENT

The Hon. John Mututho, MP (Chairperson)
The Hon. Lucas Chepkitony, MP- Vice- Chairperson
The Hon. (Dr.) Victor Munyaka, MP
The Hon. Kambi Kazungu, MP
The Hon. Benson Mbai, MP
The Hon. Erastus Mureithi, MP

ABSENT WITH APOLOGY

The Hon. (Dr.) Robert Monda

ABSENT

The Hon. Fred Outa, MP
The Hon. Peris Chepchumba, MP
The Hon. Evans Akula, MP
The Hon. John D. Pesa, MP

NATIONAL ASSEMBLY

Mrs. Serah Kioko	First Clerk Assistant
Mr. Nicodemus Odongo	Budget Officer
Mr. Hemed Mohamed	Parliamentary Intern

MIN 42/2009

PRELIMINARY

The meeting was opened with a word of prayer.

The Chairman introduced the committee members and informed the meeting that though the Permanent Secretary, Ministry of Livestock Development and other Ministry officials had come for the meeting, the committee could not proceed with its deliberations on the Estimates of the Ministry because the Minister for Livestock Development who was scheduled to brief the Committee on the Estimates was not present.

MIN 43/2009

ADJOURNMENT

Arising from the absence of the Minister for Livestock Development, the Chairperson adjourned the meeting at forty- five minutes past Ten O'clock until 2:30 pm the same day.

AFTERNOON SESSION

PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. Lucas Chepkitony, MP (Vice-Chairperson)
The Hon. Erastus Mureithi, MP
The Hon. Evans Akula, MP
The Hon. Victor Munyaka, MP
The Hon. Kambi Kazungu, MP
The Hon. Benson Mbai, MP

ABSENT APOLOGY

The Hon. Robert Monda, MP

ABSENT

The Hon. Fred Outa, MP
The Hon. Peris Chepchumba, MP
The Hon. John D. Pesa, MP

IN ATTENDANCE - NATIONAL ASSEMBLY

Mrs. Serah Kioko	First Clerk Assistant
Mr. Nicodemus Odongo	Budget Officer
Mr. Hemed Mohamed	Parliamentary Intern

MIN 44/2009

PRELIMINARY

The meeting was opened by a word of prayer.

Chairperson apprised the meeting on the rules of procedure that govern Committee operations as stipulated in the Standing Orders.

MIN 44/2009

CONFIRMATION OF MINUTES

Confirmation of minutes of the fourth, fifth, sixth, seventh and eighth sittings was postponed to a later date.

The Hon. Joseph Nyagah, EGH, MP, Minister, Cooperative Development and Marketing appeared before the Committee accompanied by Messrs: Seno Nyakenyanya, Permanent Secretary; Mbeche Alwanga, FCTO; Pharice O Kajumbe, DCCD; Joseph Maina, SFO; Stella Kaimenyi, DCCD; Mr. J.K Mwangi, Finance and Banking officer; P.I. Kimotho, Personal Assistant; Philip Gichuki, Extension officer; Nicholas Mwanthi, Ag. COCK; Stanley Miringu, DD(A)-COCK, K.G.Waruingi, DD F&A, A.B.Mbwi, D.A., Cooperatives; Francis Mwangi, KCC; Matu Wamae, Chairman, New KCC; Kiunga Kangethe, CFO; Geoffrey Mulama, Chief Economist; and Micah Origa, Budget Officer-Finance.

The Minister gave a brief presentation on the general overview of the Ministry of Cooperative Development and Marketing and stated that the Ministry had had a troubled past as a department that kept being shifted from one sector to another leading to loss of both human and other resources and low staff morale among other challenges.

The Minister further informed the Committee that the SACCO movement which fell under the Ministry controlled about 40% of the National and about 30% of National Saving hence the key role of the sector in realizing the vision 2030 goals.

The Minister also informed the Committee that as a result of expansion of the cooperative movement, there was growing need for the Ministry's services. The Committee also heard that the Government, through the Ministry, had resuscitated KCC and renamed it New KCC and that the Ministry was in the process of establishing a policy to restructuring of ailing public owned cooperatives. The Ministry wanted to restructure KPCU at a cost of Kshs.600million.

The Committee expressed concern that the Ministry wanted to restructure KPCU yet it was registered as a limited liability company. Concern was also expressed that Kenya Farmers Association (KFA) was registered as a cooperative and also a limited company and that the organization had been placed under the Ministry of Agriculture rather than the Ministry of Cooperative Development where it was best suited to be. Also of concern to the Committee was Cooperative Bank of Kenya whose majority shareholders are cooperators. The Committee resolved to invite the Minister in two weeks time so as to deliberate on the issue of Shareholding in Cooperative Bank.

The Committee examined vote 22 head by head and approved the same subject to the following observations:

The Committee observed with concern that the Ministry was not generating any material AIA yet it conducted audits at a fee. The Committee was also concerned that though the Government had since 2004 allowed cooperative societies to appoint their own auditors, the

Ministry did not have proper mechanisms for supervision and or regulation. Even the capacity of the Ministry's officials to exercise supervision was also in doubt which could expose cooperators to quack auditors and collusion by unscrupulous cooperatives societies' management officials. The Committee recommends that the Ministry should carry out an inventory of credible auditors and recommend to the various cooperative societies a pool of certified auditors from whom to choose. A certain percentage of the total fee that the pre-qualified auditors charge should be surrendered to the Ministry which would enable the Ministry generate AIA. The Committee also felt that the Ministry should generate enough AIA through the Cooperative College to enable the college become self sustaining rather than burden the Government with funding the college to undertake activities such as construction of buildings.

MIN 46/2009

ADJOURNMENT

There being no other business, the Chairperson adjourned the sitting at fifty minutes past six O'clock until Thursday 16th July 2009.

SIGNED: HON. JOHN MUTUTHO
(CHAIRPERSON)

DATE: 5TH AUGUST 2009

MINUTES OF THE TENTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVE DEVELOPMENT HELD IN COMMITTEE ROOM, FIFTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS ON THURSDAY 16TH JULY 2009 AT 10:00 AM.

MEMBERS PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. Lucas Chepkitony, MP (Vice- chairman)
The Hon. Erastus Mureithi, EGH, HOC, MP
The Hon. John D. Pesa, MP
The Hon. Benson Mbai, MP
The Hon. (Dr.) Victor K. Munyaka, MP

ABSENT WITH APOLOGY

The Hon. Peris Chepchumba, MP

ABSENT

The Hon. Fred Outa, MP
The Hon. Evans Akula, MP
The Hon. (Dr.) Robert Monda, MP
The Hon. Kambi Kazungu, MP

NATIONAL ASSEMBLY

Mr. Julius Ariwomoi	-	Clerk Assistant
Mr. Nicodemus Odongo	-	Budget Officer
Mr. Hemed Mohamed	-	Parliamentary Intern

MIN 47/2009

PRELIMINARY

The meeting was opened by prayer made by the Hon. Erastus Mureithi, MP.
The Chairperson then reminded the meeting on the rules of procedure that govern Committee operations as stipulated in the Standing Orders.

MIN 48/2009:

CONFIRMATION OF MINUTES

Confirmation of minutes of the fourth, fifth, sixth, seventh, eighth and ninth sittings was postponed to Monday, 20th July 2009.

MIN 49/2009:

SCRUTINY OF THE ESTIMATES OF EXPENDITURE FOR THE
MINISTRY OF AGRICULTURE (VOTE 10) FOR THE FINANCIAL YEAR
ENDING 30TH JUNE 2010

The Hon. William Ruto, EGH, MP, Minister for Agriculture appeared before the committee accompanied by Messrs: Romano. M. Kiome, Permanent Secretary; Wilson Songa, Agriculture Secretary; Mary Kamau, Extension liaison and training Director; Ann Onyango, Director for Policy and External Relations; J. Irungu Crop Development Director; H.M.Mwangi, Agribusiness and Marketing Director; Eng. J.M.Nkanya, Agricultural Engineering Services Director; S.O.Olala, Chief Finance Officer; J.Kirigwi, Chief Economist; Martin Wamwea and Joel Ngao, Budgetary Supply Officer; P.G.Karogi, Principal Accounts Controller; Aboud Moeva, Technical Budget Officer and C.I.Njeru, Finance Officer II.

- a) The Minister made a brief presentation on the general overview of the ministry of Agriculture and highlighted the key issues as follows: -
 - i) The Ministry has continued to be under-funded over the years despite playing a crucial role in the economic growth; the ministry has received far much less than what is required;
 - ii) The inability of the Pyrethrum Board of Kenya to meet its obligations due to the very many arrears owed to farmers, staff salary arrears and over-staffing; the Board spends about Ksh. 38 million while it only generates revenue of about Ksh. 18 million;
 - iii) In order to increase agricultural productivity, the ministry had made a proposal for a de-silting equipment worth 9 billion to be paid in installments by Treasury, which will assist in de-silting old dams so as to provide an avenue for water harvesting; it will also assist in constructing more dams;
 - iv) In one-month's time, regulations on Agro-forestry will be gazetteD in order to require farmers to plant Trees on portions of their land and will also include the possible removal of persons from riparian areas (water catchment areas);
 - v) The ministry was disappointed by the inordinate delay and the failure by the Attorney General to finalize the drafting of the Coffee Bill.

- b) The Committee examined vote 10 head by head and approved the same subject to the following observations and conclusions:
 - i) The committee while referring to the Public Accounts Committee report for 2004/2005 and noting the significance of 'Njaa Marufuku' Program observed the need to put in place proper mechanisms with a view to promoting the programme to the rest of the country, as is done in 'Kazi Kwa Vijana';
 - ii) On the Agricultural Mechanization Services (AMS), the Committee directed the Minister to provide comprehensive details (of status, type and value) for the list of the machines held by AMS country wide; the Minister also, (while referring to the Public Accounts Committee report for 2005/2006) promised to compile the list of debt defaulters (that included prominent personalities) to be published in the media by Monday, 27th July 2009 and an ultimatum given for Payment;

- iii) The need for harmonization and coordination of funds for research services provided to Kenya Agricultural Research Institute (KARI) in the Ministry of Agriculture, and especially those relating to other Ministries such as Veterinary Research Services for the Ministry of Livestock Development; the Committee noted with concern the percentage of funds for research services allocated to the other sectors vis-a vis those of Agricultural sector and recommended the need to review and considering equitability to avoid lopsided provisions;
- iv) The Committee noted that more funds were allocated to Coffee Board of Kenya yet they should be able to generate their own. The Minister was directed to furnish the Committee (in two weeks) with the audited accounts of all the Parastatals in the Ministry's docket including the details for (and last audited accounts) of the Coffee Board of Kenya;
- v) An appeal be made to Treasury to allow for the funding for the public awareness Programmes, which had not been provided for in the current budget, since it is essential in disseminating important agricultural Technological information to farmers;
- vi) The Ministry collects about Ksh. 65 million of AIA while Treasury has provided for only 48 million in the budget. The Committee noted with concern the reduction in the provision of AIA revenue collections in the budget by the Treasury without consulting the Ministry; Treasury officials promised to consider the matter with a view to revising it as it was noted to have been an omission.

MIN 50/2009:

ADJOURNMENT

There being no other business, the Chairperson adjourned the sitting at forty five minutes past Two O'clock until Monday, 20th July 2009.

SIGNED: **HON. JOHN MUTUTHO**
 (CHAIRPERSON)

DATE: **5TH AUGUST 2009**



MINUTES OF THE ELEVENTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVE DEVELOPMENT HELD IN COMMITTEE ROOM, FOURTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS ON MONDAY 20TH JULY 2009 AT 10:00 AM.

MEMBERS PRESENT

The Hon John Mututho, MP, (Chairperson)
The Hon. Peris Chepchumba, MP
The Hon. John Pesa, MP
The Hon. Erustus Mureithi, EGH, HSC, MP
The Hon. Fred Outa, MP
The Hon. Robert Monda, MP
The Hon. Benson Mbai, MP

ABSENT WITH APOLOGY

The Hon. Lucas Chepkitony, MP (Vice-chairperson)
The Hon. Kambi Kazungu, MP
The Hon. Evans Akula, MP
The Hon. Victor K. Munyaka, MP

IN ATTENDANCE - NATIONAL ASSEMBLY

Mr. Julius Ariwomoi - Clerk Assistant
Mrs. Phyllis Makau - Principal Budget Officer
Mr. Nicodemus Odongo - Budget Office
Mr. Waikwa Wachira - Parliamentary Intern

MIN 51/ 2009:PRELIMINARY

The meeting was opened by prayer made by the Hon. Erastus Mureithi, MP.
The Chairperson then reminded the meeting on the rules of procedure that govern Committee operations as stipulated in the Standing Orders.

MIN 52/ 2009: SCRUTINY OF THE ESTIMATES OF EXPENDITURE FOR THE MINISTRY OF LIVESTOCK DEVELOPMENT (VOTE 19) FOR THE FINANCIAL YEAR ENDING 30TH JUNE 2010

The Hon. Bare Aden Duale, MP, Assistant Minister for Ministry of Livestock and Development appeared before the Committee accompanied by Messrs: Ken Lusaka, Permanent Secretary; Dr. Peter Maina Ithomdeka, Director of Veterinary services; Julius Kiptarus, Director of Livestock Production; Martin K. Wamwea, Budget officer; Joel Ngao, Budget Officer; Benjamin Oyile, Deputy Chief Finance Officer; J.K. Mwangi, Deputy Principal accounts Controller; A.G.Koskey, Chief Finance Officer; Paul Otung, Economist - Planning Department; Gloria Kulundu, Livestock

Officer; Francis Memia, Human Resource Officer; Patrick Ombaye, Budget Officer; J.K. Tendwa, Director of Livestock Production; Dr. N.L. Ombwayo, Veterinary Officer; Moses Kembe, Coordinator Livestock Department; Josiah Cheruiyot, Project monitoring and Evaluation; and Cyrus Muiru, Personal Assistant to Permanent Secretary.

A) The Minister made a brief presentation on the general overview of the ministry of Livestock Development and highlighted the key issues as follows: -

(i) The Livestock industry is a major component of the wider Agricultural sector contributing about 12% to the National Gross Domestic Product (GDP) and 42% of the total agricultural GDP.

(ii) The major challenges facing the ministry include:

- Under-funding – Low funding levels;
- Understaffing – the ministry has not recruited technical staff since 1988. Over 75% of the workforce is aged between 45 and 54 years, posing acute succession management challenges;
- Transport – the ministry's activities are field-based and country wide and requires efficient vehicle fleet;
- Disease outbreaks – Kenya experienced escalating outbreaks especially in the last two years, resulting in the imposition of disease-related export restrictions;
- Recurrent droughts, insecurity in livestock producing areas etc.
- The resource allocation gap of Ksh. 5 billion has impacted negatively on the establishment of Disease Free Zones, Livestock extension services, recruitment of key technical staff, construction of satellite abattoirs and livestock disease control.

B) The Committee, while deliberating on the Ministry's Budget proposals noted as follows: -

(i) The Kenya Meat Commission (KMC) had not expanded beyond Athi River Branch since its revival due to under-funding. The Committee also noted that the survival of KMC largely depends on the creation of Disease Free Zones. It directed the Minister to provide audited reports of KMC. The Committee resolved that it will undertake an inspection tour of KMC at a later date.

(ii) Cattle dips were not properly managed by the ministry due to inadequacy of funding; the Committee resolved that the Sessional Paper No. 1 of 1986 should be revisited; the Minister should take it up and bring it to Parliament for consideration, with a view to rescinding the Sessional Paper;

(iii) On the PPR vaccines, it was noted that the high cost of procuring the vaccines had increased the cost to the farmer; the Minister was directed to provide a detailed report on PPR vaccine funds, showing how they were spent and how the project was implemented, also show how much of donor funds are in the project and amount of vaccines they have facilitated;

(iv) The Committee deplored:

- the manner in which the number of personnel in the ministry continued to decrease despite the increasing number of districts in the recent past;
- the criteria used to allocate district resources between the Ministry of Agriculture and Ministry of Livestock Development; it was noted that more allocations were made in the Ministry of Agriculture and less allocations in the Ministry of Livestock Development, even in districts where agricultural activities are remote while livestock production are the primary activities; a case in point was Langata where an amount of Ksh.749,081 was provided in the Ministry of Agriculture against Ksh.278,074 provided in the Ministry of Livestock Development;
- the manner in which the Minister for Finance failed to adhere to MTEF to provide for funds to the department, despite indicating (in the Medium Term Strategy Paper laid in the House) that by the end of fiscal year 2009/2010, Coast Disease Free Zones will be mapped and established; the Committee directed the Treasury officials to avail an explanation regarding the matter in the next meeting; the Committee also resolved that there is need for comprehensive conceptualization of the Disease Free Zones.

(v) The Committee also urged the Minister to request the Ministry of Finance to consider exempting the ministry from the directive of facing off all four wheel drive vehicles in the government so that the ministry will be able to traverse the difficult terrain country wide.

(vi) The Committee further noted that the project that was established to purchase and manage the salvaged animals/livestock was not properly managed. It was observed that since 2006 when they were bought, the animals have not been sold to date despite reports that some could have died or deteriorated in health due to poor management. The Committee deplored the manner in which the Ministry officials claimed to plan for the sale of the animals (in order to salvage them) during this financial year:

- without providing as AIA in the Budget; and
- without legally establishing the fund (through gazette notice) to deposit the money from the sale since 2006.

The Committee directed the Minister to avail (in two weeks) comprehensive report on the economic analysis of the project i.e. the number of animals purchased, those alive now and their value. The Committee also resolved to undertake a visit of the Galana, Bura and Hola animal farms at a later date.

- (vii) The Committee noted that the Ministry officials were not adequately prepared to respond to the issues in the Ministry's Budget estimates and therefore directed the Minister to be re-scheduled to appear again on Monday 27th July 2009 at 2.00pm.

MIN 54/2009 **ADJOURNMENT**

There being no other business, the meeting was adjourned at fifty five minutes past two O'clock.

SIGNED: **HON. JOHN MUTUTHO**
 (CHAIRPERSON)

DATE: **5TH AUGUST 2009**

MINUTES OF THE TWELFFH SITTING OF THE DEPARTMENTAL COMMITTEE
ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD IN COMMITTEE
ROOM, FOURTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS ON
MONDAY 27TH JULY 2009 AT 2:30 PM.

PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. Erastus Mureithi, MBS, HSC, MP
The Hon. John D. Pesa, MP
The Hon. Benson Mbai, MP
The Hon. (Dr.) Victor K. Munyaka, MP
The Hon. Fred Outa, MP
The Hon. Evans Akula, MP
The Hon. Kambi Kazungu, MP
The Hon. (Dr.) Robert Monda, MP

ABSENT WITH APOLOGY

The Hon. Peris Chepchumba, MP

ABSENT

The Hon. Lucas Chepkitony, MP (Vice- chairman)

NATIONAL ASSEMBLY

Mrs. Serah Kioko	-	First Clerk Assistant
Mrs. Phyllis Makau	-	Principal Budget Officer
Mr. Hemed Mohamed	-	Parliamentary Intern

MIN 55/2009:

PRELIMINARY

The Chairperson invited the Hon. Erastus Mureithi, MP. to open the meeting with a word of prayer and welcomed those present to the meeting.

He informed the meeting that the Committee would concentrate on scrutinizing the Estimates of Expenditure for the Ministry of Livestock Development and set another date to consider other pending issues.

MIN 56/2009:

CONFIRMATION OF MINUTES

Confirmation of minutes of the Fifth, Sixth, Seven, Eighth, Ninth tenth, and eleventh sittings was postponed to a later date.

MIN 57/2009:

SCRUTINY OF THE ESTIMATES OF EXPENDITURE FOR THE
MINISTRY OF LIVESTOCK DEVELOPMENT (VOTE 19) FOR
THE FINANCIAL YEAR ENDING 30TH JUNE 2010

The Hon. Dr. Mohamed Kuti, Minister for Livestock Development MP, appeared before the Committee accompanied by Messrs: Ken Lusaka, Permanent Secretary; Dr. Peter Maina Ithomdeka, Director of Veterinary services; Julius Kiptarus, Director of Livestock Production; Martin K. Wamwea, Budget officer; Benjamin Oyile, Deputy Chief Finance Officer; A.G.Koskey, Chief Finance Officer; Francis Memia, Patrick Ombaye, Senior Livestock Production Officer; Dr. Cyrus Muiro, Personal Assistant to Permanent Secretary, J.P.Cheruiyot, Deputy Director Livestock; Dr. Andrew Tuimor, Managing Director ADC; Alexander Cherop, Deputy Secretary; J. Mwangi, Chief Accountant; and Joshua Musau, Chief Procurement Officer.

The Minister informed the Committee that the Ministry of Livestock Development was grossly underfunded to the point of almost grounding field operations.

The Ministry was also faced with the challenge of understaffing, inadequate office accommodation and lack of motor vehicles.

The Minister stated that in addition to the above internal challenges, the Ministry was with the challenge of frequent animal disease outbreak, insecurity in livestock producing areas, recurrent droughts, which causes feed and water unavailability, leading to death of animals, inadequate extension services and high cost of inputs which are of low quality.

The Minister also informed the Committee that there were livestock activities which were classified and funded under the Ministry of Agriculture and that even in areas which required more funding for livestock related activities, more funding was given to agricultural activities even in districts where livestock activities are abundant and agricultural activities few making nonsense the rationale for the creation of the Ministry of Livestock Development.

The Committee observed with concern that the Ministry of Finance had not provided an explanation on why the Ministry of Finance failed to fulfill his commitment, as indicated in his Medium Term Strategy Paper, that Coast Disease Free Zones (CDFZs) would be mapped and established by the end of the FY 2009/2010. The Committee directed the Treasury official in attendance provide the explanation, in writing, without further delay.

The Committee recommends that the Ministry of Finance should allocate funds for the establishment of the CDFZs in the next financial year.

The Committee also observed that due to lack of rationalization of allocation of resources between the Ministry of Agriculture and the Ministry of Livestock Development, the Ministry of Livestock Development had been disadvantaged. The Committee therefore recommends that the Government should rationalize resources allocation between the Ministry of Agriculture and the Ministry of Livestock Development to ensure equity so that so that Livestock dominant areas do

not get underfunded while agricultural activities in those areas are adequately funded even when they are not key.

The Committee directed that the Ministry of Livestock Development in collaboration with the Ministry of Agriculture draws a list of what requires rationalization for the smooth carrying out of the rationalization exercise.

The committee also recommends that institutions (State Corporations) that should fall under the Ministry of Livestock Development but are under the Ministry of Agriculture such as Lanet breeding centre, KETRI Research Institute etc, should be placed under the Ministry of Livestock Development where they rightfully belong.

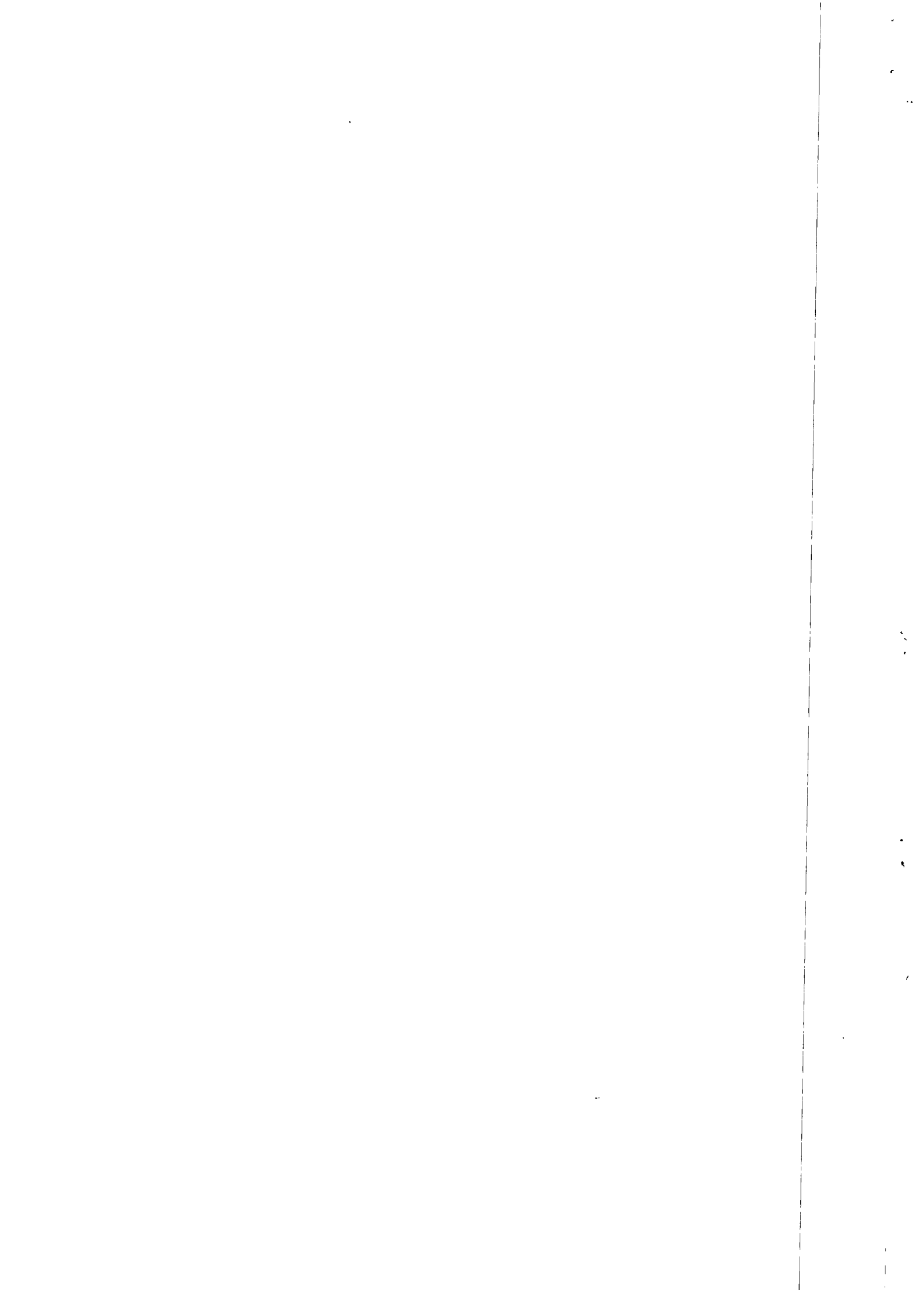
The Committee scrutinized vote 19 head by head and recommends that the House approves the withdrawal of the requested sum of money to meet the expenditure during the year ending 30th June 2009 in respect of Ministry of Livestock Development.

MIN 58/2009: ADJOURNMENT

There being no other business, the Chairperson adjourned the sitting at twenty five minutes past three O'clock until Thursday July 30 2009 at 10.00 am.

SIGNED: HON. JOHN MUTUTHO
(CHAIRPERSON)

DATE: 5TH AUGUST 2009



MINUTES OF THE THIRTEENTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD IN COMMITTEE ROOM, FOURTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS ON MONDAY 3RD AUGUST 2009 AT 2:30 PM.

PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. (Dr.) Victor K. Munyaka, MP
The Hon. Erastus Mureithi, MBS, HSC, MP
The Hon. (Dr.) Robert Monda, MP
The Hon. Evans Akula, MP
The Hon. Benson Mbai, MP

ABSENT

The Hon. Lucas Chepkitony, MP (Vice- chairman)
The Hon. John D. Pesa, MP
The Hon. Fred Outa, MP
The Hon. Kambi Kazungu, MP
The Hon. Peris Chepchumba, MP

NATIONAL ASSEMBLY

Mrs. Serah Kioko - First Clerk Assistant
Mr. David Chumo - Parliamentary Intern

MIN 59/2009: PRELIMINARY

The meeting was opened with a word of prayer.

MIN 60/2009: CONFIRMATION OF MINUTES

Confirmation of minutes of the tenth, eleventh and twelfth sittings was postponed to a later date.

MIN 61/2009: CONSIDERATION OF THE DRAFT REPORT ON THE SCRUTINY OF THE ESTIMATES OF EXPENDITURE FOR THE YEAR ENDING 30TH JUNE 2010

The Committee postponed deliberations on the Draft Report on the Estimates to Tuesday 4th August, 2009 at 4.00 pm in order to allow more Members of the Committee to be present during the adoption of the report.

The Chairman reminded the Committee of the Speakers Ruling that Reports should be tabled in the House within a period of one week which lapses on Tuesday 4th August 2009. He urged the Members present to attend the next sitting in order to enable the Committee adopt the report and the minutes to enable the tabling of the Report on Wednesday 5th August 2009.

The Committee expressed concern that in earlier meeting with the Minister of Agriculture, the Minister informed the committee that the Ministry needed Kshs200 million for irrigation in Bura and Hola Irrigation Schemes. Additionally, the Ministry of Agriculture plans to use Kshs.2 billion for irrigation this year. The Committee noted with concern Kshs.2 billion is a colossal sum of money. The Committee consequently resolved to visit Bura and Hola irrigation schemes to establish what was happening on the ground to merit such a high expenditure.

The Committee was also concerned that the Emergency Livestock Programme to salvage animals under the Ministry of Livestock Development had not been properly managed and that animals bought with the Kshs.198 million disbursed to ADC for the programme take-off had not been sold off as ought to have been done. The Committee therefore resolved to tour Galana Ranch, to establish the number of salvaged animals in the ranch, their condition and when they would be sold off. The members resolved the tour should last for a period of 1 week from Sunday 9th 2009 to Saturday 15th 2009.

MIN 62/2009: ANY OTHER BUSSINESS

The Hon. Erastus Mureithi, MP, under order 82, informed the committee of a slanderous letter from parties outside Parliament against his person.

The chairman informed the Committee that he was seized of the matter and was consulting for purposes briefing the Committee appropriately.

MIN 63/2009: ADJOURNMENT

And there being no other business, the Chairperson adjourned the sitting at fifty minutes past Four O'clock until Tuesday, 4th August 2009 at 4.00 pm.

**SIGNED: HON. JOHN MUTUTHO
(CHAIRPERSON)**

DATE: 5TH AUGUST 2009

MINUTES OF THE FOURTEENTH SITTING OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURE, LIVESTOCK AND COOPERATIVES HELD IN COMMITTEE ROOM, FOURTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS ON TUESDAY AUGUST 04 2009 AT 4.30 PM.

PRESENT

The Hon. John Mututho, MP (Chairman)
The Hon. (Dr.) Victor K. Munyaka, MP
The Hon. Erastus Mureithi, MBS, HSC, MP
The Hon. (Dr.) Robert Monda, MP
The Hon. Benson Mbai, MP
The Hon. Fred Outa, MP
The Hon. John D. Pesa, MP

ABSENT

The Hon. Lucas Chepkitony, MP (Vice- chairman)
The Hon. Kambi Kazungu, MP
The Hon. Peris Chepchumba, MP
The Hon. Evans Akula, MP

NATIONAL ASSEMBLY

Mrs. Serah Kioko - First Clerk Assistant

MIN 64/2009: PRELIMINARY

The meeting was opened with a word of prayer.

MIN 65/2009: CONFIRMATION OF MINUTES

Confirmation of minutes of the Fifth, Sixth, Seventh, Eighth, Ninth Tenth, Eleventh, Twelfth and Fourteenth sittings was postponed to a later date.

MIN 66/2009: CONSIDERATION OF THE DRAFT REPORT ON THE SCRUTINY OF THE ESTIMATES OF EXPENDITURE FOR THE YEAR ENDING 30TH JUNE 2010

The Committee considered and unanimously adopted the draft report on the scrutiny of Estimates of Expenditure for the year ending June 30 2009. The adoption of the report was proposed by the Hon. Erastus Mureithi, MBS, HSC, MP and Seconded by the Hon. John D. Pesa, MP.

Members expressed concern about the distribution of economic stimulus money given to the Ministry of Fisheries Development for the aquaculture project to be implemented in 140

constituencies country wide. Of particular concern was an indication by the Minister for Fisheries Development during a meeting to brief all MPs earlier that day that some constituencies would be allocated as little as Kshs.30,000. Members reasoned that the amount was too little to accomplish anything, unless the whole idea was a public relations exercise.

MIN 67/2009: ANY OTHER BUSSINESS

1. Committee Trips

The Committee expressed concern that some foreign trips where its Members should have participated were undertaken by Members not belonging to the Committee. The Chairman undertook to raise the matter with the Speaker and the Liaison Committee.

2. Strategic Plan Workshop

The Committee resolved to hold a workshop to draw its strategic plan at the end of August 2009.

3. Tour of Galana ADC Ranch, Hola and Bura Irrigation Schemes

The Committee resolved to undertake the tour from Sunday 9th to Sunday 16th August 2009.

MIN 68/2009: ADJOURNMENT

And there being no other business, the Chairperson adjourned the sitting at Twenty minutes past Five O'clock until Sunday August 2009.

SIGNED: HON. JOHN MUTUTHO
 (CHAIRPERSON)

DATE: 5TH AUGUST 2009