



**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**

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,

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
CFS	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

- 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, 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

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

- 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

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**

- 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.

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.**

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.

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,

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

- 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) 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

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

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.

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.

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.

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

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.

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.

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

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.

- 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

(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.

MINUTES OF THE TWELFTH 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.

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.

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