



KENYA NATIONAL ASSEMBLY  
TENTH PARLIAMENT – (FOURTH SESSION - 2010)

DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL  
RESOURCES 2010

REPORT ON THE SCRUTINY OF ANNUAL ESTIMATES FOR  
FINANCIAL YEAR 2010/2011  
FOR

1. VOTE 20 - MINISTRY OF WATER AND IRRIGATION;
2. VOTE 21 - MINISTRY OF ENVIRONMENT & MINERAL  
RESOURCES;
3. VOTE 36 - MINISTRY OF LAND; AND
4. VOTE 55 – MINISTRY OF FORESTRY AND WILDLIFE.

Clerks Chambers,  
Kenya National Assembly,  
Nairobi

July, 2010

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## 1.0 PREFACE

Mr. Speaker Sir,

1.1 On behalf of Members of the Departmental Committee on Lands and Natural Resources, I feel honoured to present to the House the Committee's Report on the Scrutiny of Annual Estimates for the Financial Year 2010/2011 for Votes – 20, 21, 36 and 55, pursuant to provision of Standing Order No. 152 (1) and (2).

## 1.2 MANDATE OF THE COMMITTEE

1.2.1 The Departmental Committee No. J on Lands and Natural Resources is established pursuant to provisions of Standing Order No. 198 (2) and (3) with the following terms of reference: -

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

1.2.2 The Committee is mandated to consider:-

- Lands and settlement,
- forestry, water resource management and development,
- irrigation;
- environment,
- wildlife,
- Mining and natural resources.

Mr. Speaker Sir,

## 1.3 Oversight

In executing its mandate, The Committee oversees the following Government Ministries; namely: -

- 1.3.1 Ministry of Water and Irrigation – vote 20;
- 1.3.2 Ministry of Environment and Minerals Resources – vote 21;
- 1.3.3 Ministry of Lands – vote 36; and
- 1.3.4 Ministry of Forestry and Wildlife – vote 55.

## 1.4 Committee composition

The Departmental Committee on Lands and Natural Resources was constituted on June 17<sup>th</sup> 2009 and its membership is as follows:-

- 1.4.1 Hon. Mutava Musyimi, M.P. – Chairman
- 1.4.2 Hon. Peris Chepchumba Simam, M.P. - Vice Chairperson
- 1.4.3 Hon. Benjamin Jomo Washiali, M.P.
- 1.4.4 Hon. Silas Ruteere Muriuki, M.P.
- 1.4.5 Hon. Benedict Fondo Gunda, M.P.
- 1.4.6 Hon. Martin Ogindo, M.P.
- 1.4.7 Hon. Njuguna Gitau, M.P.
- 1.4.8 Hon. Mohammed Affey, M.P.
- 1.4.9 Hon. Omar Zonga, M.P.
- 1.4.10 Hon. Kiema Kilonzo, M.P.

**Note:**

The membership of the Committee has reduced to 10 members following the nullification by the Courts the Election for the member for Juja, Hon. George Thuo, MGH, MP.

### 1.5 Committee undertakings and submission gathering

1.5.1 pursuant to Standing Order 152, the Committee commenced on the scrutiny of printed Estimates of the Ministries of Environment and Mineral resources, Water and Irrigation, Lands, Forestry and Wildlife on Monday June 21, 2010. These Estimates were laid in the House on 10<sup>th</sup> June, 2010.

1.5.2 In total the Committee held seven (7) sittings to consider the Estimates. The Committee also met with the staff of the Budget Office of the National Assembly. The minutes of these meetings are appended to this report;

1.5.3. The Committee received submission, presentations and other reports from the four Ministries as below:-

Mr. Speaker Sir,

1.5.4 Received submission from:-

1.5.4.1 Minister and Ag. Permanent Secretary, Ministry of Environment and Mineral Resources (MEMR),

Accompanied by:-

- Director, Kenya Meteorological Department;
- Director, Department of Remote Sensing and Resource Survey(DRSRS);
- Head of Mining and Geology Department;
- Senior Superintendent Geologist, DRSRS;
- Principal Accountant, MEMR; and
- Chief Economist, MEMR.



1.5.4.2 Minister, Assistant Minister and Permanent Secretary, Ministry of Water and Irrigation(MWI),

Accompanied by:-

- Chief Executive Officer – Water Services Trust Fund;
- Chief Executive Officer - Athi Water Services Board,
- Chief Executive Officer – Water Resources Management Authority;
- Director- Water Resources
- Director- Water services
- Managing Director, National Water Conservation and Pipeline Corporation;
- General Manager, National Irrigation Board;
- Principal Account Controller, MWI;
- Assistant Director - Human Resource Management;
- Chief Finance Officer, MWI

1.5.4.3 Minister and Permanent Secretary, Ministry of Forestry and Wildlife,

Accompanied by

- Director, Kenya Forest Service;
- Director, Kenya Forestry Research institute;

1.5.4.4 Minister and Permanent Secretary, Ministry of Lands;

Accompanied by:-

- Commissioner of lands;
- Director Administration;
- Chief Finance Officer;
- Director; Physical Planning;
- Director; Lands Adjudication and Settlement;
- Deputy, Director of Lands Adjudication and Settlement;
- Director of Surveys;
- Accounts Controller; and
- Assistant Director Human Resource.

1.6 The Committee also considered the following reports in connection to the scrutiny of the Annual estimates for the respective ministries: -

1.6.1 Vision 2030;

1.6.2 Printed Estimates for the FY 2010/2011 for vote 20, 21, 36 and 55;

1.6.3 Budget Speech for 2010/011;

1.6.4 Budget Strategy Paper for 2010/010;

1.6.5 Public Accounts Committee report for the FY 2004/05, 2005/06 and 2007/08 on audit queries of the various votes – vote 20, 21, 36 and 55; and

1.7 CONCLUSION

Mr. Speaker Sir,

- 1.7.1 The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the necessary support extended to it in the execution of its mandate. The Committee further wishes to thank the Ministers for Environment and Mineral Resources, Water and Irrigation, Land , Forestry and Wildlife for responding promptly to issues raised by the Committee during the examination of the 2010/2011 Estimates.
- 1.7.2 Being the Chairperson of the Committee, I take this opportunity to thank all the Members of the Committee for their patience, sacrifice, endurance and hard work during the long sitting hours under tight schedules which enabled us to complete the tasks within the stipulated period.
- 1.7.3 The Committee wishes to record its appreciation for the services rendered by the staff of the National Assembly attached to the Committee. Their efforts made the work of the Committee and the production of this Report possible.

Mr. Spear Sir,

## 1.8 Recommendations

Based on the submission, presentations and evidence adduced, the Committee makes the following recommendations, that: -

### 1.8.1 Ministry of Water and Irrigation

- a) The Ministry should expedite the investigation into the huge amount of pending bills at the National Water Conservation and Pipeline Corporation totaling Kshs. 549 million and subject them into forensic audit;
- b) The Ministry should allocate funds to the Sustenance of water infrastructure, beside the normal revenue used to maintain them in its programmes;
- c) The Ministry should allocate funds to the National Water Conservation and Pipeline Corporation to alleviate the loss of Appropriation-In-Aid set to decrease because the corporation does not run water supply facilities.
- d) The Ministry should set the criteria for selection of districts in resource allocation;
- e) The Ministry needs to address the issue of water access and shortage in major urban centres so as to reduce the dominance by water vendors who supply water whose quality is not guaranteed.

### 1.8.2 Ministry of Environment and Mineral Resources

- a) The Ministry should maximize on the opportunities presented by the global carbon trades or carbon trading under the Climate change negotiations;
- b) The Committee recommends that the Minister undertake a speedy review of the Mining Act to enable the Department collect sufficient A-I-A; and
- c) The Ministry should expedite the implementation of all conventions signed by the Government under Multilateral Environment Agreements -MEA

### 1.8.3 Ministry of Lands

- a) The Ministry should be allowed to retain part of revenue it collects annually to be able to implement projects/programmes left in this year financial estimates ;
- b) The Ministry should be empowered through adequate resources allocations to be able to undertake the process of land adjudication and registration in the country to enable people to assert their right over land.

### 1.8.4 Ministry of forestry and Wildlife

- a) The Government, through the Cabinet, should issue a lifting of the ban on logging in order to generate additional revenue for Kenya Forest Service. As at now a total of 39,000 Ha is ready for harvesting including over-mature plantations (27,300 Ha) and mature plantations (11,700 Ha) all valued at Kshs 39.9 Billion; If not harvested, this wood will rot and go to waste.
- b) The Ministry should maximize the opportunities presented by the global carbon credit under the Convention of Biodiversity and Climate change. The carbon credit should be able to give more funding that would assist us in adaptation and mitigating effects of climate change and be able to provide financial resources for forestry development of this country;

### 1.8.5 The absorption capacity

- a.) The absorption capacity of the above Ministries and government department has been affected by delays in exchequer and delay in donor releases. The Committee therefore recommends that the Ministry of Finance expedite exchequer releases to Ministries and department to enable completion of approved programmes.

And from the above,

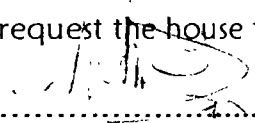
1.8.6 The Committee is agreeable to the proposals by the Ministers for Water and Irrigation, Environment and Mineral Resources, Land, Forestry and Wildlife and recommends that a sum not exceeding: -

1. Kshs. 3, 779, 939, 100 be allocated to the Ministry of Water and Irrigation – Vote 20 for Recurrent expenditure and Kshs. 20, 102, 793, 800 for Development expenditure, proposed in the Heads under Vote 20 that the Ministry be allowed to raise Appropriation In Aid amounting to Kshs. 1, 889, 459, 596 for Recurrent expenditure and Kshs. 12, 426, 873, 277 from Development partners, to finance its operations;
2. Kshs. 2, 259, 716, 000 be allocated to the Ministry of Environment and Mineral Resources – vote 21 for Recurrent and Kshs. 4, 199, 462, 810 for Development expenditure, proposed in the Heads under Vote 21 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 368, 232, 500 to finance its operations;

3. Kshs. 1, 675, 420, 300 be allocated to the Ministry of Land – Vote 36 - for Recurrent and Kshs. 2, 276, 037, 400 for Development expenditure proposed in the Heads under Vote 36; and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 608, 508, 160 to finance its operations;
4. Kshs. 3, 937, 788, 000 be allocated to the Ministry of Forestry and Wildlife – Vote 55 - for Recurrent and Kshs. 1, 983, 955, 000 for Development expenditure, proposed in the Heads under Vote 55, and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 1, 747, 220, 000 to finance its operations;

Be approved by the House.

- 1.8.7 Finally, it is now my pleasant duty, on behalf of the Departmental Committee on Lands and Natural Resources, to present and recommend this report to the House pursuant to the provisions of Standing Orders of the National Assembly.
- 1.8.8 On behalf of the Committee, I request the house to adopt the report.

SIGNED:.....

HON. MUTAVA MUSYIMI, MP  
CHAIRMAN  
DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES

DATE:.....JULY 7, 2010.....

## SCRUTINY OF THE ANNUAL ESTIMATES FOR THE FY 2010/011

### 1. VOTE 20 – MINISTRY OF WATER AND IRRIGATION

#### 1.1. INTRODUCTION - Mandate and Appearance

- 1.1.1 The Ministry of Water and Irrigation has the mandate of ensuring that there is sustainable conservation, management and development of the available water and land resources and facilitates their planned exploitation. The provision of adequate and clean water both for domestic, for farming and for livestock has been a major goal that the government has been pursuing for years.
- 1.1.2 A review of the Vision 2030 and the Medium-Term Plan indicates that among the flagship projects in the sector were the expansion of the hectareage under irrigation.
- 1.1.3 The Ministry appeared before the Committee on Wednesday, June 30, 2010 at 11.00 – 3.30 p.m.;

#### 2.0 State Corporations and Departments

##### 2.1 The Ministry has five departments and they are: -

- Water and Sewerage Services;
- Water Resources Management;
- Irrigation, Drainage and Water Storage;
- Land Reclamation; and
- Support Services.

##### 2.2 Key state corporations are:-

- National Water Conservation and Pipeline Corporation;
- National Irrigation Board;
- Kenya Water Institute;
- Water Services Trust Fund
- Water Resource Management Authority
- Water Services Regulatory Board;
- Water Appeals Board;
- Eight regional Water Services Boards – Athi, Lake Victoria South, Lake Victoria North, Rift Valley, Coast, Tanathi, Tana, and Northern;

##### 2.3 Papers Laid - Documents of reference

- The Minister statement;
- The budget Estimates (recurrent and Development)
- Disaggregated Budget;

#### 2.4 ISSUES, AND COMMITTEE COMMENTS AND OBSERVATIONS

- 2.4.1 The amount of Pending bills under the National Water Conservation and Pipeline Corporation of Kshs 549 million. The bills are questionable however there is need to subject them into forensic audit.
- 2.4.2 Sustenance of water infrastructure; though normally maintained through revenue collection and in some instances subsidized by the exchequer;

- 2.4.3 The Appropriation-In-Aid for NWCPC is set to decrease because the corporation does not run water supply facilities to generate more Appropriation-In-Aid.
- 2.4.4 The criteria for selection of districts in resource allocation;
- 2.4.5 The achievement rate of the ministry in the last financial year – 2009/010 on the provision of access to clean drinking water, expansion of irrigation, water supplies and water pans and dams, construction of large dams.
- 2.4.6 The disparities between the requested funds from exchequer and printed estimates for 2010/2011 is due to funds made direct payment by development partners to projects and programmes;
- 2.4.7 Initiatives by the ministry in place to met the millenium Development Goals onn water accessibil;ity;
- 2.4.8 The spatial distirbution of NIB resources for econmic Recovery, Poverty alleviation and Regional Developmemnt programme.
- 2.4.9 The Ministry need to address the issue of water access and shortage in major urban centres that appears to be dominated by water vendors providing water services whose quality is not guaranteed.

## 2.5 ALLOCATION

### 2.5.1 REQUEST, ALLOCATION AND EXPENDITURE

#### i.). COMPARISON OF THE PREVIUOS YEARS (Kshs. Millions)

FY	GOK RECURRENT	GOK DEVELOPMENT	DONOR DEV.	TOTAL
2005/06	2,189	3,999	2,118	8,301
2006/07	2,928	5,318	2,234	10,482
2007/08	3,574	4,950	4,377	12,901
2008/09	4,171	9,041	6,375	19,587
Approved 2009/10	3,361.6	10,730.6	12,522.3	26,614.5
Printed 2010/2011	3,779.9	12,016.2	20,513.5	36,309.6

### 2.5.2. ACTUAL ALLOCATIONS

The Ministry's budget- **Allocations for the year 2010/11(in Kshs millions)**

Vote	Details	Printed 2009/10	Revised 2009/10	Requested Amount 2010/11	Ceilings 2010/11	Printed Estimates 2010/11
R20	Gross	4,478	4,536	9,531	5,129	5,669.4
	AIA	1,141	1,175		1,222	1,889.5
	Net	3,337	3,362		3,907	3,779.9

D20	Gross GoK Loans Grants	24,695	23,253 10,731 9,069 3,453	41,968	25,462 9,230 12,779 3,453	32,530 12,016 16,298 4,216
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### 2.5.3 AREAS LEFT OUT OF THE BUDGET

	Planned Programmes	Amount Kshs.
1	Servicing Construction contracts for the ongoing 5 dams	2,360 million
2	Up-scaling irrigation development	410 million
3	Construction of 5 no. new dams	1500 million
4	Dam construction equipment	2000 million
5	Procurement of water bowsers and Tanks	490 million
	<b>Total</b>	<b>6,760 million</b>

### 2.5.4 ANALYSIS OF TRANSFERS TO STATE CORPORATIONS AND FUND ACCOUNTS

The following are the SAGAs that fall under the ministry of water and irrigation;

SAGA	Actual 2008/09	Forecast 2009/10	Estimates 2010/11
Water Services Regulatory Board	8.30	15	60,000,000
Water Services Trust Fund	86.98	184.82	767,816,000
Athi Water Services Board	106.53	129.3	4,685,000,000
Tana Water Services Board	29.45	70	1,013,211,000
Tanathi Water Services Board	0	187	1,650,000,000
Rift Valley Water Services Board	153.69	271	312,811,000
Lake Victoria North Water Services Board	31	30	3,243,065,975
Lake Victoria South Water Services Board	34	55	2,173,601,883
Northern Water Services Board	171.16	120	1,584,459,000
Coast Water Services Board	49.05	132.2	2,968,440,000
National Water Conservation and Pipeline Corporation	2,318.59	2,157.50	4,877,000,000
National Irrigation Board	718	1,797	2,525,743,500
Kenya Water Institute	177	167.12	126,400,000

### 2.5.5. Summary of Revenue and Expenditure for State Corporations under the Ministry of Water and Irrigation for 2010/11 financial year in Ksh.(Millions)

Revenue	Actual 2008/09	Forecast 2009/10	Estimates 2010/11
Internally Generated Income	2,029.80	4,220.08	3,399.97
Government Resources			
Grants-Recurrent	2,909.27	2,815.43	778
Grants-Development	940.5	2,445.50	8,312.14



Other Incomes			
Donors Grants	586.86	2,281.30	2,509.74
Donors Loans	509.13	786.06	13,480.07
Others			
<b>Total Income</b>	<b>6,975.57</b>	<b>12,548.37</b>	<b>28,479.92</b>
Expenditures			
Recurrent Expenditures	5,366.89	7,511.95	3,938.55
<b>Surplus or (Deficits)</b>	<b>(400.56)</b>	<b>(450.49)</b>	<b>239.42</b>
Capital Expenditures	1,802.82	3,585.54	24,066.95

## 2.5.6 Issues from the Last published audited appropriations Accounts for 2007/08

### a.) Grants to Water Service Board

The Appropriation Account reflects Grant Payments totaling Kshs.78.25million to Tana Water Services Board and Northern Water Services Board during the year. The Boards however did not prepare and submit accounts for audit in the year 2007/08.

### b.) Pending Bills

The ministry has bills totaling Kshs.96.40million relating to the year 2007/2008 which were carried forward to the financial year 2008/2009 with Kshs.55.8million chargeable to the Recurrent Vote and the balance of Kshs.40.60million to the Development Vote.

### c.) Unaccounted for Receipt Books

It was noted that six (6) water receipt books issued between October 2007 and February 2008 to Tambach, Kapkoi and Chepkosio Water Supply Stations for use in revenue collection had not been accounted for as at 30 June 2008. As a result it has not been possible to ascertain the amount of revenue received on account of the six receipt books. It has also not been possible to establish how such revenue was accounted for.

### d.) Statement of Assets and Liabilities for VoteD.20

The Statement of Assets and Liabilities for Vote D.20 as at 30 June 2008 reflects various debit and credit balances totaling Kshs.3, 727.80million and Kshs.12, 392.40million respectively, under various Accounts which have not been supported with analyses. The Statement also reflects various excess vote balances totaling Kshs.278.62million, relating to the period between 1979/80 and 1990/91 for which the balances have not been regularized to date.

## 2.6 CONSIDERATION OF ESTIMATES

### 2.6.1 SCRUTINY OF THE RECURRENT ALLOCATIONS (R20) - OBSERVATIONS AND RECOMMENDATION - Examination of Heads, by the Committee, under Vote R. 20 was as follows:-

#### 567: HEADQUARTERS ADMINISTRATIVE AND TECHNICAL SERVICES

The proposed net expenditure under this head is kshs 251, 072, 373. In addition, under this head , the Ministry expects to raise Kshs. 200, 000 in Appropriation-in-Aid. The Committee observed that the net allocations increased from Kshs 233, 323, 179 in 2009/010 to Kshs 251, 072, 373in 2010/011.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 251, 072, 373 be allocated to the Ministry for the expenditure proposed in the items under Head 567 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 200, 000 to finance its operations.

#### 628: FINANCE AND PROCUREMENT SERVICES

The proposed net expenditure under this head is kshs 10, 550, 000. The Committee noted an increase in the allocation, from Kshs. 8, 060, 000 to Kshs. 10, 550, 000.

The Committee also proposes that a sum not exceeding kshs 10, 550, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 628.

#### 714: THE WATER SERVICES TRUST FUND

The proposed net expenditure under this head is kshs 20, 000, 000. The Committee observed that the allocations has increased from Kshs 10,000,000 to kshs. 20, 000, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 20, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 714.

#### 716: WATER SERVICES BOARDS

The proposed net expenditure under this head is kshs. 155, 000, 000. In addition, under this head, the ministry expects to raise Kshs. 1, 480, 062, 239 in Appropriation-in-aid.

The Committee observed that the allocations have remained more or less Constant and these funds are for the eight regional water services boards that arose through the reforms in the water sector.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 155, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 716 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 1, 480, 062, 239 to finance its operations.

#### 886: HEADQUARTERS PROFESSIONAL SERVICES

The proposed net expenditure under this head is Kshs. 557, 975, 229. The Committee observed that the allocations increased from Kshs. 541, 741, 817 to Kshs. 557, 975, 229.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 557, 975, 229 be allocated to the Ministry for the expenditure proposed in the items under Head 886.

#### 888: MECHANICAL AND ELECTRICAL DIVISION

The proposed net expenditure under this head is kshs 107, 523, 231. In addition, under this head , the ministry expects to raise Kshs. 60, 000 in Appropriation-in-aid.

The Committee observed that the allocation slightly increased from Kshs 104,540, 255 to Kshs 107, 523, 231.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 107, 523, 231 be allocated to the Ministry for the expenditure proposed in the items under Head 888 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 60, 000 to finance its operations.

#### 899: WATER INSTITUTE

The proposed net expenditure under this head is kshs 100, 000, 000. In addition, under this head , the ministry expects to raise Kshs. 60, 000, 000 in Appropriation-in-aid.

The Committee observed that the allocations increased from Kshs 50,000,000 to Kshs 100,000,000

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 100, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 899 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 60, 000, 000 to finance its operations.

#### 991: DEVELOPMENT PLANNING

The proposed net expenditure under this head is kshs. 13, 627, 202. The allocation slightly went up from Kshs 12,816, 559 to Kshs 13, 627, 202.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs. 13, 627, 202 be allocated to the Ministry for the expenditure proposed in the items under Head 991.

#### 887: DISTRICT WATER SERVICES

The proposed net expenditure under this head is kshs. 1, 373, 879, 021 . In addition, under this head , the ministry expects to raise Kshs. 5, 600, 000 in Appropriation-in-aid.

The Committee noted that the allocations increased from Kshs.1, 074, 883, 257 in 2009/010 to Kshs. 1, 373, 879, 021 in 2010/011.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs. 1, 373, 879, 021 be allocated to the Ministry for the expenditure proposed in the items under Head 887 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs.5,600, 000 to finance its operations.

#### 889: WATER RESOURCES POLLUTION CONTROL

The proposed net expenditure under this head is kshs. 57, 660, 844. The Committee observed that the allocations increased from Kshs 51, 737, 089 to Kshs 57, 660, 844.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs. 57, 660, 844 be allocated to the Ministry for the expenditure proposed in the items under Head 889.

#### 890: WATER RESOURCES- SURFACE WATER

The proposed net expenditure under this head is kshs 141, 567, 429.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 141, 567, 429 be allocated to the Ministry for the expenditure proposed in the items under Head 890.

#### 892: COASTAL WATER SUPPLY

The proposed net expenditure under this head is kshs. 76, 136, 985. In addition, under this head, the ministry expects to raise Kshs. 1, 650, 000 in Appropriation-in-aid.

The Committee observed that there was a slight increase in the allocations from Kshs. 72, 747, 261 to Kshs. 76, 136, 985. However, the Committee observed that this head contradicts the allocations under head 524, 560, 716, 785, hence need to be rationalized, or why allocate coastal water supply funds yet they also allocated under the above heads.

The committee also recommends that the head be rationalized given that it also considered part of Heads 524, 560,716, 785.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs. 76, 136, 985 be allocated to the Ministry for the expenditure proposed in the items under Head 892 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 1, 650, 000 to finance its operations.

#### 893:WATER RESOURCES

The proposed net expenditure under this head is kshs 119, 466, 028.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 119, 466, 028 be allocated to the Ministry for the expenditure proposed in the items under Head 893.

#### 894: OTHER MUNICIPALITIES WATER SUPPLY

The proposed net expenditure under this head is kshs. 101, 893, 370. In addition, under this head, the ministry expects to raise Kshs. 2, 000, 000 in Appropriation-in-aid.

The Committee observed that the allocations decreased slightly from Kshs. 104, 533, 202 to Kshs. 101, 893, 370.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs. 101, 893, 370 be allocated to the Ministry for the expenditure proposed in the items under Head 282 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 2, 000, 000 to finance its operations.

#### 895: SEWERAGE MAINTENANCE

The proposed net expenditure under this head is Kshs 11, 080, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 11, 080, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 897.

#### 250: IRRIGATION AND LAND RECLAMATION

The proposed net expenditure under this head is kshs. 190, 671, 576.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. kshs. 190, 671, 576 be allocated to the Ministry for the expenditure proposed in the items under Head 250.

#### 944. INTEGRATED ASAL PROGRAMME

The proposed net expenditure under this head is Kshs. 35, 122, 282. The Committee observed that the allocation has decreased from Kshs. 41, 191, 870 to Kshs. 35, 122, 282.

The Committee noted that Head 944 on integrated ASAL programme is duplication of roles with the Ministry of State for Development of Northern Kenya and other ASAL areas.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 35, 122, 282 be allocated to the Ministry for the expenditure proposed in the items under Head 944.

#### 945: TURKANA REHABILITATION PROJECT

The proposed net expenditure under this head is Kshs 23, 743, 930.

The Committee observed that the net allocations have increased from Kshs. 22, 775, 292 to Kshs. 23, 743, 930. The Committee noted that Head 945 on Turkana Rehabilitation project is duplication of roles with the Ministry of State for Development of Northern Kenya and other ASAL areas.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 23, 743, 930 be allocated to the Ministry for the expenditure proposed in the items under Head 945.

#### 995: NATIONAL IRRIGATION BOARD

The proposed net expenditure under this head is Kshs. 141, 000, 000. In addition, under this head, the ministry expects to raise Kshs. 324, 887, 357 in Appropriation-in-aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 141, 000, 000. Be allocated to the Ministry for the expenditure proposed in the



items under Head 995 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs 324, 887, 357 to finance its operations.

#### 785 : NATIONAL WATER CONSERVATION AND PIPELINE CORPORATION

The proposed net expenditure under this head is Kshs 287, 000, 000. In addition, under this head , the ministry expects to raise Kshs. 10, 000, 000 in Appropriation-in-aid. The Committee observed that the allocation remains constant at Kshs. 287,000,000

The Committee notes that the Appropriations-in-Aid for the institution is remaining constant as the previous years despite the fact that they charge levies and other fees on the use of their assets and through provision of water. The Committee also noted that most of the funds will be used to pay pending bills accrued for the few years.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 287, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 785 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 10, 000, 000 to finance its operations.

#### 897 : WATER RIGHTS

The proposed net expenditure under this head is Kshs 4, 968, 800. In addition, under this head , the Ministry expects to raise Kshs. 5,000, 000 in Appropriation-in-aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 4, 968, 800 be allocated to the Ministry for the expenditure proposed in the items under Head 897 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 5,000, 000 to finance its operations.

#### **2.6.2 ANALYSIS OF THE DEVELOPMENT BUDGET (D20) - COMMITTEE OBSERVATIONS** –DEVELOPMENT - Examination of Heads, by the Committee, under Vote D 20 was as follows:-

##### 282: MOUNT KENYA EAST PILOT PROJECT

The proposed net expenditure under this head is Kshs 254, 456, 194. In addition, under this head , the Ministry expects to raise Kshs. 39, 980, 000 in Appropriation-in-aid from development partners.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 254, 456, 194 be allocated to the Ministry for the expenditure proposed in the items under Head 282 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 39, 980, 000 from various development partners to finance its operations.

##### 567: HEADQUARTERS ADMINISTRATIVE AND TECHNICAL SERVICES

The proposed net expenditure under this head is kshs 4, 000, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 4, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 567.

#### 714 : THE WATER SERVICES TRUST FUND

The proposed net expenditure under this head is kshs 100, 000, 000. In addition, under this head , the Ministry expects to raise Kshs. 667, 816, 000 in Appropriation-in-aid from development partners.

The Committee observed that the net allocations has increased from Kshs. 60,000,000 to Kshs. 100,000,000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 100, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 714 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 667, 816, 000 from development partners to finance its operations.

#### 716: WATER RESOURCES BOARDS

The proposed net expenditure under this head is Kshs 8, 168, 964, 631. In addition, under this head , the Ministry expects to raise Kshs. 9, 751, 624, 277 in Appropriation-in-aid from Development Partners

The Committee observed that the allocations have substantially increased from Kshs. 6, 342, 972, 423 to Kshs. 8, 168, 964, 631 and the allocations is for the eight regional water services board in the country.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 8, 168, 964, 631 be allocated to the Ministry for the expenditure proposed in the items under Head 716 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 9, 751, 624, 277 from development partners to finance its operations.

#### 886; HEADQUARTERS PROFESSIONAL SERVICES

The proposed net expenditure under this head is Kshs 2, 298, 800, 000. In addition, under this head , the ministry expects to raise Kshs. 807, 453, 000 in Appropriation-in-aid from development partners.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 2, 298, 800, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 886 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 807, 453, 000 from development partners to finance its operations.

#### 899: WATER INSTITUTE

The proposed net expenditure under this head is Kshs 26, 400, 000. The Committee observed that the net allocations decreased from Kshs 33,000,000 to Kshs 26, 400,000.



The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 26, 400, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 899.

#### 991 : DEVELOPMENT PLANNING

The proposed net expenditure under this head is kshs 6, 000, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 6, 000, 000 be allocated to the Ministry for the expenditure proposed on the items under Head 991.

#### 511: CENTRALIZED SERVICES

The proposed net expenditure under this head is Kshs 15, 000, 000. The Committee observed that the net allocations remained Constant at Kshs 15,000,000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 15, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 511.

#### 524; CONSTRUCTION OF WATER SUPPLIES

The proposed net expenditure under this head is Kshs 1, 308, 734, 308.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 1, 308, 734, 308. Be allocated to the Ministry for the expenditure proposed on the items under Head 524.

#### 560 : CONSTRUCTION OF WATER SUPPLIES

The proposed net expenditure under this head is Kshs. 661, 625, 000. The Committee observed that the net allocations increased from Kshs 551, 125, 000 to Kshs 661, 625, 000

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 661, 625, 000 be allocated to the Ministry for the expenditure proposed on the items under Head 560.

#### 563: CONSTRUCTION OF SEWERAGES

The proposed net expenditure under this head is kshs 206, 000, 000, The amounts increased from Kshs 167,000,000 to Kshs. 206,000,000

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 206, 000, 000 be allocated to the Ministry for the expenditure proposed on the items under Head 563.

#### 889: WATER RESOURCE- POLLUTION CONTROL

The proposed net expenditure under this head is Kshs 0.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 0 be allocated to the Ministry for the expenditure proposed in the items under Head 889.

#### 893 : WATER RESOURCES

The proposed net expenditure under this head is kshs 14, 520, 000. The Committee observed that the net allocations has increased from Kshs 7,200,000 to kshs 14, 520, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 14, 520, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 893.

#### 250; IRRIGATION AND LAND RECLAMATION

The proposed net expenditure under this head is Kshs 342, 900, 167 In addition, under this head , the ministry expects to raise Kshs. 378, 000, 000 in Appropriation-in-aid from development partners. The Committee notes that the allocation increased from Kshs. 278, 105, 000 to Kshs 342, 900, 167.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 342, 900, 167 be allocated to the Ministry for the expenditure proposed in the items under Head 250 and the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 378, 000, 000 from development partners to finance its operations.

#### 944: INTEGRATED ASAL PROGRAMME

The proposed net expenditure under this head is Kshs 46, 050, 000. In addition, under this head , the ministry expects to raise Kshs. 12, 000, 000 in Appropriation-in-aid from development partners. The allocation has increased from Kshs 28,500,000 to Kshs. 46, 050, 000 at net level.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 46, 050, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 944 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 12, 000, 000 to finance its operations.

#### 945: TURKANA REHABILITATION PROJECT

The proposed net expenditure under this head is Kshs 16, 600, 000. The Committee notes that the allocations have decreased from Kshs 13, 062, 500 to Kshs 16, 600, 000.

The Committee notes that the head appears a duplication of roles with the roles under the ministry of State for the Development of Northern Kenya and other Arid Lands therefore need to re-locate to the relevant Ministry or department.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 16, 600, 000 be allocated to the Ministry for the expenditure proposed on the items under Head 945.

#### 995 : NATIONAL IRRIGATION BOARD

The proposed net expenditure under this head is kshs 1, 755, 743, 500. In addition, under this head , the ministry expects to raise Kshs. 770, 000, 000 in appropriation-in-aid from development partners.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 1, 755, 743, 500 be allocated to the Ministry for the expenditure proposed in the items under Head 995 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 770, 000, 000 from development partners to finance its operations.

#### 784: FLOOD CONTROL MANAGEMENT

The proposed net expenditure under this head is Kshs 162, 000, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 162, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 784.

#### 785 : NATIONAL WATER CONSERVATION AND PIPELINE CORPORATION

The proposed net expenditure under this head is Kshs 995, 000, 000. The Committee noted that the allocations have decreased from Kshs 1,044,000,000 in financial year 2009/010 to Kshs 995, 000, 000 in financial year 2010/011.

The Committee notes that most of the funds allocated to National Water Conservation and Pipeline Corporation is to clear Pending bills accrued over the year's therefore no funds for development or little goes to actual development.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 995, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 785.

#### 896 WATER CONSERVATION AND DAM CONSTRUCTION

The proposed net expenditure under this head is Kshs 3, 720, 000, 000. The allocations have increased substantially from Kshs 2, 828, 200, 000 in 2009/010 to Kshs 3, 720, 000, 000 in 2010/011.

The Committee observed that there 5 major/large dams that construction commenced in the last Financial Year – 2008/09 and they are – Maruba, Kiserian, Umaa, Baldesa and Chemsusu and that if allocated funds to complete their construction will go along way in solving the water shortages.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 3, 720, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 896.

### 3. VOTE 21 – MINISTRY OF ENVIRONMENT AND MINERAL RESOURCES

#### 3.1 Introduction – Mandate and appearance

3.1.1 The ministry of Environment and mineral resources has the mandate to protect, conserve, and sustainably manage the environment and mineral resources through sustainable exploitation of resources for socio-economic and national development;

3.1.2 the challenges facing the Ministry are: -

- Catchments area protection;
- Liquid solid and air pollution and Waste management;
- Weak collaboration with other Ministries, Departments and Stakeholders in Environmental Management;
- Climate change and desertification;
- Inadequate Mineral policy and legal framework;
- Exploration and mining licensing; and
- Old Aircraft for the Department of Resource Survey and Remote Sensing for carrying out surveys and mapping among other challenges; and
- Inadequate equipment for Kenya Meteorological Department for monitoring weather patterns.

3.1.3 Ministry is undertaking the following measures to address these challenges:

- The National Environment Management Authority is working closely with all stakeholders on air pollution, polythene and plastics, waste and suspected dumping of toxic waste materials for proper management control;
- NEMA is currently addressing many issues of concern through the elaboration of land use regulations, guidelines and standards;
- The District Environmental Committees which are multi-disciplinary and multi-stakeholder are now being involved in the formulation of District Environment Action Plans;
- The Ministry is endeavoring to work closely with other ministries, Departments and other stakeholders on environmental management and conservation e.g the Nairobi River Rehabilitation and Restoration Programme;
- The current Mining Act has been reviewed and is now at the cabinet level. Strategies will be formulated for promotion of mining industry, promotion packages of the Sector will be undertaken for both the communities and investors;
- The Ministry is collaborating closely with the Kenyan on Mines to ensure stakeholders participation on the minerals sector activities;
- The Mines and Geology Department has been conducting assessment on landslides in the past as they occur and has been giving advice on the necessary mitigation measures;
- The department has also put in place a programme entitled Geological Hazard Mapping which will identify all areas of landslide potential amongst other geo-hazards including those of seismic and volcanic activities;
- The Department of Resource Surveys and Remote Sensing has continued to provide survey and information on crop forecasting and wildlife/ livestock census;

- The ministry is developing the National Climate Change strategy to address the adverse effects of climate and propose adaptation and mitigation measures.

### 3.2 State Corporations and Departments

#### 3.2.1 The Ministry has five departments and they are: -

- General Administration and Planning;
- Directorate of environment;
- Mines and Geology ;
- Remote Survey and Remote Sensing; and
- Kenya meteorological Department.

#### 3.2.2 Key state corporations are:-

- National Environment Management Authority (NEMA);

### 3.3 Papers Laid - Documents of reference

3.3.1 The presentation statement on the FY 2010/2011 Annual Estimates;

3.3.2 Disaggregated Budget for the Ministry; and

#### 3.4.1 COMMITTEE OBSERVATIONS AND COMMENTS

3.4.2 There is need to rehabilitate the already existing quarries and the regulation of the quarrying industry

3.4.3 There continued destructions and encroachment to Catchments areas and that there no concrete steps being undertaken to protect;

3.4.4 Introduction of a new head on climate change shows the prioritization of its impacts and therefore adaptation and mitigation;

3.4.5 lack of legal framework for Climate change in kenya;

3.4.6 restoration of the forest cover in the five water towers;

3.4.7 Disposal of waste and sewaregae treatment in informal settlement in urban areas;

3.4.8 the ministry to maximize on the opportunities as presented by the global carbon trades or carbon trading?

### 3.5 ALLOCATION

#### 3.5.1. ACTUAL ALLOCATIONS

The Ministry's budget- Allocations for the year 2010/11(in Kshs millions)

Vote	Details	Printed 2009/10	Revised 2009/10	Requested Amount 2010/11	Ceilings 2010/11	Printed Estimates 2010/11
R21	Gross	2,065	2,061	4,282	2,378	2,397.4
	AIA	63	102		106	137.7
	Net	2,001	1,959		2,272	2,259.7
D21	Gross	2,268.60	2,101	6,125	2,371	4,430
	GoK		1,415		1,103	3,264
	Loans		379		553	754
	Grants		308		715	412

3.5.2 The Ministry has considerably more allocation for this financial year and the major increments in allocation are to climate change enabling activities and environmental management and protection and mineral Services. The allocation has increased both in absolute value terms and relative to the total discretionary expenditure.

### 3.5.3 AREAS LEFT OUT OF THE BUDGET

- a. Integrated meteorological information system (IMIS) at a cost of Kshs.170million.
- b. Weather modification programme which involves rainfall enhancement, hailstorm supervision at a cost of Kshs.470million.
- c. Acquisition of drilling rig estimated at a cost of Kshs.150million.
- d. Staffing and operation of NEMA estimated at a cost of Kshs.722million

### 3.5.4 Issues from the Last published audited appropriations Accounts for 2007/08

#### a.) Unvouched Expenditure

The Appropriation Account for Vote R.21 for the year ended 30 June 2008 reflects total expenditure of Kshs.989.38million, out of which a sum of Kshs.476.77million incurred representing approximately 48% of the total expenditure, was not supported with relevant payment vouchers and other related records.

#### b.) Under-expenditure and Under-collection of Appropriations-In-Aid

The Appropriation Account for the Vote reflects gross under-expenditure of Kshs.679.83million or approximately 55% of the approved estimates of Kshs.1, 229.65million and an under-collection of Appropriations-In-Aid of Kshs.547million or about 74% of the estimated receipts of Kshs.733.97million. They occurred under Sub-votes 210,214,215 relating to General Administration, Department of Resource Survey and Remote Sensing and Environmental Management and Protection respectively.

#### c.) Statement of Assets and Liabilities for Vote R.21

The Statement of Assets and Liabilities for Vote R.21 as at 30 June 2008 reflects debit balances totaling Kshs.68.54million and credit balances totaling Kshs.882.59million reconciled. In addition reflects Excess Vote balances totaling Kshs.4.40million and General Account on Vote (net surplus) balances of Kshs.761.15million relating to the period between 1983/1984 and 2006/2007.

The Statement shows Exchequer Account balances totaling Kshs.325.58million in respect of Exchequer under Issues for the period between 1995/1996 and 2006/2007, which have remained uncleared. The Paymaster General Account (PMG) debit balance of Kshs.1, 305.90million as at 30 June 2008 differs with June I Ledger balance of Kshs.6, 469million. The PMG balance further differs with the Cashbook balance of Kshs.3.38million by a figure of Kshs.1, 302.52million.

#### d.) Statement of Assets and Liabilities for Vote D.21;

The Statement of Assets and Liabilities for the Vote reflects various debit and credit balances totaling Kshs.150.76million and Kshs.640million respectively, which have not been analyzed and a credit balance of Kshs.192.5million under the Standing Imprest Account. The Statement also reflects various Exchequer Account balances totaling Kshs.1, 108million, relating to the period 1994/95 to 2005/2006. In addition, there is a General Account of Vote balance of Kshs.1, 512million for the years between 1994/95 and 2005/2006 and also a Paymaster General Account debit

balance of Kshs. 968.68million,with Development Cashbook and Board of Survey Report as at 30 June 2008 show a balance of Kshs.6.36million.

#### e.) Statement of Assets and Liabilities for Deposits

The Statement of Assets and Liabilities for Deposits as at 30 June 2008 reflects various debit and credit balance of Kshs.28.40million and Kshs.418.88million respectively. The Statement also reflects a Vote Adjustment Account – Ministry of Water credit balance of Kshs.224million relating to 2006 2007 and prior years, which differs with the June Ledger balance of Kshs.3million. In addition, the Statement reflects a Paymaster General Account debit balance of Kshs.390.50million, which differs with the Trial Balance figure of Kshs.355.77million and the Cashbook balance of Kshs.171.92million by Kshs.34.74million and Kshs.218.58million respectively. The differences between the three sets of records have not been reconciled or explained.

### 3.6 CONSIDERATION OF ESTIMATES

#### 3.6.1 SCRUTINY OF THE RECURRENT BUDGET ALLOCATIONS (R21) - OBSERVATIONS AND RECOMMENDATIONS

##### 670: HEADQUARTERS, ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 305, 201, 640. In addition, under this head, the Ministry expects to raise Kshs. 10, 000, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 305, 201, 640 be allocated to the Ministry for the expenditure proposed in the items under Head 670 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 10, 000, 000 to finance its operations.

##### 749: FINANCIAL MANAGEMENT AND PROCUREMENT SERVICES

The proposed net expenditure under this head is kshs 30, 699, 616.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 30, 699, 616 be allocated to the Ministry for the expenditure proposed in the items under Head 749.

##### 885: DEVELOPMENT PLANNING DIVISION

The proposed net expenditure under this head is kshs 10, 713, 816.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 10, 713, 816 be allocated to the Ministry for the expenditure proposed in the items under Head 885.

##### 690 : MINES & GEOLOGY DEPARTMENT

The proposed net expenditure under this head is kshs 111, 986, 815. In addition, under this head, the ministry expects to raise Kshs. 5, 000, 000 in Appropriation-in-Aid.



The Committee was persuaded by the Minister submission that the A-I-A is not sufficient because of the archaic nature of the Mining act. the Committee is therefore agreeable to the Minister's proposal.

### RECOMMENDATION.

The Committee recommends that the Minister undertake a speedy review of the Mining Act to enable the Department collect sufficient A-I-A and supplement the contribution of the Ministry.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 111, 986, 815 be allocated to the Ministry for the expenditure proposed in the items under Head 690 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 5, 000, 000 to finance its operations.

### 691: PROVINCIAL OFFICES – HEADQUARTERS

The proposed net expenditure under this head is kshs 54, 283, 337. In addition, under this head, the ministry expects to raise Kshs. 5, 00, 000 in Appropriation-in-Aid.

The Committee noted that net allocation went down marginally from Kshs 59,768, 679 million in FY 2009/010 to Kshs 54, 283, 337 million IN FY 2010/011 and that A-I-A remaining constant at Kshs 500,000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 54, 283, 337 be allocated to the Ministry for the expenditure proposed in the items under Head 691 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 500, 000 to finance its operations.

### 692: MINERAL SURVEY AND EXPLORATION

The proposed net expenditure under this head is kshs 18, 695, 290. In addition, under this head, the ministry expects to raise Kshs. 500, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 18, 695, 290 be allocated to the Ministry for the expenditure proposed in the items under Head 692 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 500, 000 to finance its operations.

### 219: DEPARTMENT OF RESOURCE SURVEY AND REMOTE SENSING

The proposed net expenditure under this head is kshs 155, 859, 563. In addition, under this head, the ministry expects to raise Kshs. 1, 500, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 155, 859, 563 be allocated to the Ministry for the expenditure proposed in the items under Head 219 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 1, 500, 000 to finance its operations.

### 702: DIRECTORATE OF ENVIRONMENT

The proposed net expenditure under this head is kshs 46, 122, 956.

The Committee is a reeable to the proposal by the Minister that a sum not exceedin kshs 46, 122, 956 be allocated to the Ministry for the expenditure proposed in the items under Head 702.

#### 736: NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

The proposed net expenditure under this head is kshs 594, 577, 507. In addition, under this head , the ministry expects to raise Kshs. 100, 000, 000 in Appropriation-in-Aid.

The Committee is a reeable to the proposal by the Minister that a sum not exceedin kshs 594, 577, 507 be allocated to the Ministry for the expenditure proposed in the items under Head 736 and that the ministry be allowed to raise Appropriation-in-Aid amountin to Kshs. 100, 000, 000 to finance its operations.

#### 762: PUBLIC COMPLAINTS COMMITTEE

The proposed net expenditure under this head is kshs 20, 800, 000.

The Committee is a reeable to the proposal by the Minister that a sum not exceedin Kshs. 20, 800, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 762.

#### 766: NATIONAL ENVIRONMENT TRIBUNAL

The proposed net expenditure under this head is kshs 16, 000, 000.

The Committee is a reeable to the proposal by the Minister that a sum not exceedin Kshs. 16, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 766.

#### 442: METEOROLOGICAL DEPARTMENT (HEADQUARTERS)

The proposed net expenditure under this head is kshs 854, 775, 570. In addition, under this head , the ministry expects to raise Kshs. 20, 200, 000 in Appropriation-in-Aid.

The Committee observed that the net allocation increased from Kshs 787.12 million in FY 2008 09 to Kshs 841.96 million in FY 2009 010 and that the A-I-A increasin sli htly from Kshs 15 million to Kshs 16 million.

The Committee is a reeable to the proposal by the Minister that a sum not exceedin kshs 854, 775, 570 be allocated to the Ministry for the expenditure proposed in the items under Head 691 and that the ministry be allowed to raise Appropriation-in-Aid amountin to Kshs. 20, 200, 000 to finance its operations.

### 3.6.2 SCRUTINY OF THE DEVELOPMENT ALLOCATIONS (D21) – COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

#### 670: HEADQUARTERS, ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 2, 012, 000, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 2, 012, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 670.

#### 698: LAKE VICTORIA ENVIRONMENTAL MANAGEMENT PROJECT

The proposed net expenditure under this head is kshs 745, 444, 688.

The Committee observed that the net allocation went up significantly from Kshs 407 million in 2009/010 to Kshs 745 million in 2010/011.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 745, 444, 688 be allocated to the Ministry for the expenditure proposed in the items under Head 698.

#### 885. DEVELOPMENT PLANNING DIVISION

The proposed net expenditure under this head is kshs 51, 637, 500.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 51, 637, 500 be allocated to the Ministry for the expenditure proposed in the items under Head 885.

#### 692: MINERAL SURVEY AND EXPLORATION

The proposed net expenditure under this head is kshs 90, 119, 804.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 90, 119, 804 be allocated to the Ministry for the expenditure proposed in the items under Head 692.

#### 219: DEPARTMENT OF RESOURCE SURVEY AND REMOTE SENSING

The proposed net expenditure under this head is kshs 195, 022, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 195, 022, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 219.

#### 611: CLIMATE CHANGE ENABLING ACTIVITIES

The proposed net expenditure under this head is kshs 3, 700, 000. In addition, under this head, the Ministry expects to raise Kshs. 125, 000, 000 in Appropriation-in-Aid

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 3, 700, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 612 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 125, 000, 000 to finance its operations.

#### 612: INSTITUTIONAL STRENGTHENING OZONE DEPLETING SUBSTANCE MANAGEMENT.

The proposed net expenditure under this head is kshs 9, 779, 125.

The Committee is a reeable to the proposal by the Minister that a sum not exceedin Kshs. 9, 779, 125 be allocated to the Ministry for the expenditure proposed in the items under Head 612.

#### 702: DIRECTORATE OF ENVIRONMENT

The proposed net expenditure under this head is kshs 710, 162, 193. In addition, under this head , the Ministry expects to raise Kshs. 35, 000, 000 in Appropriation-in-Aid

The Committee is a reeable to the proposal by the Minister that a sum not exceedin kshs 710, 162, 193 be allocated to the Ministry for the expenditure proposed in the items under Head 702 and that the Ministry be allowed to raise Appropriation-in-Aid amountin to Kshs. 35, 000, 000 to finance its operations.

#### 736: NATIONAL ENVIRONMENTAL MANAGEMENT AUTHORITY

The proposed net expenditure under this head is kshs 79, 987, 500. In addition, under this head , the Ministry expects to raise Kshs. 69, 820, 000 in Appropriation-in-Aid.

The Committee is a reeable to the proposal by the Minister that a sum not exceedin kshs 79, 987, 500 be allocated to the Ministry for the expenditure proposed in the items under Head 736 and that the Ministry be allowed to raise Appropriation-in-Aid amountin to Kshs. 69, 820, 000 to finance its operations.

#### 442: METEOROLOGICAL DEPARTMENT

The proposed net expenditure under this head is kshs 301, 610, 000.

The Committee is a reeable to the proposal by the Minister that a sum not exceedin kshs 301, 610, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 442.

## 4 : VOTE 36 – MINISTRY OF LANDS

### 4.1 Introduction – Mandate and Appearance

4.1.1 The ministry of lands has the mandate to ensure security of land tenure, equitable distribution of land and sustainable land use, land planning and management, review and harmonization of laws related to land and its management, preparation and implementation of land use plans for all urban and rural areas, resolution of land and boundary disputes and revision of rents for leased government land;

4.1.2 In achieving the above, the ministry is to; -

- Formulate and implement land policies;
- Undertake physical planning
- Register land transactions
- Undertake land survey and mapping
- Undertake land adjudication and settlement
- Undertake land valuation; and
- Administer state and trust land.

### 4.2 State Corporations and Departments

4.2.1 The Ministry does not have any state corporation under it; however the Ministry is in the process of converting KISM into a SAGA;

### 4.3 Papers Laid - Documents of reference

4.3.1 The presentation statement on the FY 2010/2011 Annual Estimates;

4.3.2 Draft Strategic Plan (2008 – 2012) for the Ministry of Environment and Natural Resources;

4.3.3 Disaggregated Budget for the Ministry; and

4.3.4 The Annual Estimates of the ministry 2009/2010;

### 4.4 Areas of concern under the sub sector

4.4.1 Allocations of funds to the Draft National Land Policy;

4.4.2 Computerization of the Ministry;

4.4.3 Revenue collection in the Ministry;

4.4.4 There are many land laws in Kenya that create confusion making land management intricate.

4.4.5 Need to improve the process of land adjudication and registration in the country to enable people to assert their right over land.

4.4.6 There is need to encourage sustainable land use practices to reduce the land degradation process.

4.4.7 The Ministry has pinned out digitized land registry as a key activity they will pursue as part of the crucial land reforms;

4.4.8 The lands Ministry is among the ministries that collect huge sums of revenue. What measures are been put in place to improve the collections of Appropriations in Aid?

### 4.5 ALLOCATION

#### 4.5.1 ALLOCATION AND ABSORPTION CAPACITY

i.). GOK - RECURRENT AND DEVELOPMENT AND ABSORPTION CAPACITY

	REQUEST	RECURRENT	DEVELOPMENT	LOCATIONS	ABSORPTION RATE -%
07 08		1, 439, 937, 0	92,000, 000	3, 231, 937, 0	91
08 09		1, 520, 909, 320	480, 775, 0	2, 001, 684, 0	88
2009 10	12,211,882, 3	1,436,963, 0	450, 400, 0	1, 887, 363, 0	

4.5.3. ACTUAL ALLOCATIONS – printed estimates

The Ministry's budget - Allocations for the year 2010/11(in Kshs millions).

Vote	Details	Printed 2009/10	Revised 2009/10	Requested Amount 2010/11	Ceilings 2010/11	Printed Estimates 2010/11
R36	Gross AIA Net	1,674.80 237.8 1,436.90	1,735 245 1,490	3,976	1,840 245 1,595	1,973 297.6 1,675.4
D36	Gross GoK Loans Grants	860.00	2,133 1,850 -	8,236	1,012 730 -	2,587 2,076 -
			282		282	511

4.5.4 It is evident that the allocation for the Ministry has increased marginally over the last financial year. However, the allocation has reduced as a percentage of the total discretionary expenditure for this financial year relative to the last financial year.

Issues from the Last published audited appropriations Accounts for 2007/08

a) Submission of financial statements for agricultural settlement fund trustees

The Ministry did not submit for audit financial statements for agricultural settlement fund trustees for thirteen financial years from 1995/96 to 2007/2008 and received grants amounting to Kshs. 2,382.58million.

b) Under-expenditure and under-collection of Appropriations – in – Aid

The appropriation Account for the year ended 30 June 2008 reflects gross under-expenditure of Kshs. 387million representing approximately 21% of the approved estimates of Kshs.1, 842.5million. The Appropriation Account also reflects under-collection of Appropriations-in - Aid amounting to Kshs.50. 5million or 100% of estimated receipts. This is attributed to non-receipt of expenditure returns from various development partners.

c) Unvouched Expenditure

Expenditure amounting to Kshs.140. 95million charged to the Appropriation Account for Vote 36 for the year ending 30 June 2008 was not supported with the relevant documentary evidence including payment voucher.

d) **Statement of revenue for head 150-360-Lands revenue**

The lands revenue for the year ended 30 June 2008 totals to Kshs. 90.5million as having been paid to the Exchequer during the year. Records at Treasury indicate however revenue amounting to Kshs. 1,375.40million as having been received during the year.

e) **Arrears of Revenue**

Arrears received amounted to Kshs. 458.40million or about 5% of total arrears outstanding of Kshs.8, 923.40million as at 30 June 2007, leaving a balance of Kshs.8, 465million. Additional arrears of revenue amounting to Kshs.443million were however recorded in 2007/08, raising the outstanding balance of such arrears to Kshs. 8,908million as at 30 June 2008.

f) **Township roads and Drains account**

In the previous year's report, mention was made of an unsupported journal voucher dated 30 September 2005 for an amount of Kshs.361.20million, used to clear an accumulated deficit of Kshs. 345.58million against the Township Roads and Drains Account as at 30 June 2004. The Ministry has not yet obtained approval from treasury to clear the deficit.

g) **Statement of Assets and Liabilities for Vote 36** The Statement of Assets and Liabilities for Vote R.36 as at 30 June 2008 reflects a debit balance of Kshs.328.64million under the Exchequer Account, which includes an amount of Kshs.312.39million brought forward from 2006/2007 and earlier years. In addition, the Statement reflects a General Account on Vote credit balance of Kshs.570million, which includes balances totaling Kshs.525.84million relating to 2006/2007 and earlier years and an Excess Appropriations-In - Aid credit balance of Kshs.50.39million.

h) **Statement of Assets and Liabilities for Vote D.36**

The Statement of Assets and Liabilities for Vote D.36 as at 30 June 2008 reflects a debit balance of Kshs.440.69million,with some balance dating to the period between 1999/2000 and 2005/2006.There is also a debit balance of Kshs. 296.73million under Paymaster General Account relating to the period between 1999/2000 and 2006/2007. The Statement in addition reflects a credit balance of Kshs.701.46million which includes an amount of Kshs.364.93million relating to 2006/2007 and previous year.

#### 4.6 CONSIDERATION OF THE ESTIMATES

##### 4.6.1 SCRUTINY OF RECURRENT ALLOCATIONS (R36)- COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

##### 026: HEADQUARTERS, ADMINISTRATIVE SERVICES



The proposed net expenditure under this head is kshs 490, 386, 190. In addition, under this head , the ministry expects to raise Kshs. 2, 053, 295 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 490, 386, 190 be allocated to the Ministry for the expenditure proposed in the items under Head 026 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 2, 053, 295 to finance its operations.

#### 576: REVENUE SECRETARIAT

The proposed net expenditure under this head is kshs 6,227, 647.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 6, 227, 647 be allocated to the Ministry for the expenditure proposed in the items under Head 576.

#### 615 DEVELOPMENT PLANNING SERVICES

The proposed net expenditure under this head is kshs 5, 045, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 5, 045, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 615.

#### 030:HEADQUARTERS, ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 44, 233, 578. In addition, under this head , the ministry expects to raise Kshs. 51, 082 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 44, 233, 578 be allocated to the Ministry for the expenditure proposed in the items under Head 030 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 51, 082 to finance its operations.

#### 040: DISTRICT LAND ADJUDICATION & SETTLEMENT

The proposed net expenditure under this head is kshs 288, 332, 668. In addition, under this head , the Ministry expects to raise Kshs. 3, 000, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 288, 332, 668 be allocated to the Ministry for the expenditure proposed in the items under Head 040 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 3, 000, 000 to finance its operations.

#### 084: S.F.T. MANAGEMENT SETTLEMENT PROJECT

The proposed net expenditure under this head is kshs 4, 261, 511.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 4, 261, 511 be allocated to the Ministry for the expenditure proposed in the items under Head 084.

#### 096: HEADQUARTERS ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 154, 663, 924. In addition, under this head , the ministry expects to raise Kshs. 38, 000, 000 in Appropriation-in-Aid

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 154, 663, 924 be allocated to the Ministry for the expenditure proposed in the items under Head 096 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 38, 000, 000 to finance its operations.

#### 098: PROVINCIAL SURVEY OFFICES

The proposed net expenditure under this head is kshs 28, 152, 243. In addition, under this head , the Ministry expects to raise Kshs. 3, 000, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 28, 152, 243 be allocated to the Ministry for the expenditure proposed in the items under Head 098 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 3, 000, 000 to finance its operations.

#### 099: DISTRICT SURVEY OFFICES

The proposed net expenditure under this head is kshs 140, 235, 902. In addition, under this head , the ministry expects to raise Kshs. 44, 800, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 140, 235, 902 be allocated to the Ministry for the expenditure proposed in the items under Head 099 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 44, 800, 000 to finance its operations.

#### 277: KENYA INSTITUTE OF SURVEYING & MAPPING

The proposed net expenditure under this head is kshs 71, 101, 495 In addition, under this head , the ministry expects to raise Kshs.12,000, 000 in Appropriation-in-Aid

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 71, 101, 495 be allocated to the Ministry for the expenditure proposed in the items under Head 277 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 12,000, 000 to finance its operations.

#### 130: HEADQUARTERS, ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 155, 780, 495. In addition, under this head , the Ministry expects to raise Kshs. 44,000, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 155, 780, 495 be allocated to the Ministry for the expenditure proposed in the items under Head 130 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 44, 000, 000 to finance its operations.

### 132: DISTRICT LAND OFFICES

The proposed net expenditure under this head is Kshs 120, 611, 017. In addition, under this head, the Ministry expects to raise Kshs.133, 016, 108 in Appropriation-in-Aid

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 120, 611, 017 be allocated to the Ministry for the expenditure proposed in the items under Head 132 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 133, 016, 108 to finance its operations.

### 376:HEADQUARTERS, ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 75, 577, 221. In addition, under this head, the Ministry expects to raise Kshs.1, 000, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 75, 577, 221 be allocated to the Ministry for the expenditure proposed in the items under Head 376 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 1, 000, 000 to finance its operations.

### 453: DISTRICT PHYSICAL PLANNING OFFICES

The proposed net expenditure under this head is kshs 90, 811, 005. In addition, under this head, the ministry expects to raise Kshs. 16, 737, 675 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 90, 811,005 be allocated to the Ministry for the expenditure proposed in the items under Head 453 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 16, 737, 675 to finance its operations.

## 4.6.2: SCRUTINY OF THE DEVELOPMENT ALLOCATIONS (D36) – COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

### 026 HEADQUARTERS ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 1, 768, 727, 087. In addition, under this head, the Ministry expects to raise Kshs. 301, 250, 000 in Appropriation-in-Aid.

The Commitete observed that there is substantial increased allocations due to acquisition of land, domestic travel, printing, hospitality and other operating expenses.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 1, 768, 727, 087 be allocated to the Ministry for the expenditure proposed in the items under Head 026 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 301, 250, 000 to finance its operations.

### 084: S.F.T. MANAGEMENT SETTLEMENT PROJECT

The proposed net expenditure under this head is kshs 2, 664, 957.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 2, 664, 957 be allocated to the Ministry for the expenditure proposed in the items under Head 084.

173: S.F.T. STATE LAND; INCLUDES LAMU DISTRICT, WITU FARM

The proposed net expenditure under this head is kshs 11, 377, 400.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 11, 377, 400 be allocated to the Ministry for the expenditure proposed in the items under Head 173.

199: S.F.T. SHIRIKA CONVENTIONAL SCHEME

The proposed net expenditure under this head is kshs 35, 397, 310.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 35, 397, 310 be allocated to the Ministry for the expenditure proposed in the items under Head 199.

096: SURVEY OF KENYA – HEADQUARTERS, ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 207, 170, 646.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 207, 170, 646 be allocated to the Ministry for the expenditure proposed in the items under Head 096.

098: PROVINCIAL SURVEY OFFICES

The proposed net expenditure under this head is kshs 6, 000, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 6, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 098.

099: DISTRICT SURVEY OFFICES

The proposed net expenditure under this head is kshs 3, 380, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 3, 380, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 099.

277:KENYA INSTITUTE OF SURVEY AND MAPPING

The proposed net expenditure under this head is kshs 21, 620, 000. In addition, under this head , the Ministry expects to raise Kshs. 9, 600, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 21, 620, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 277 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 9, 600, 000 to finance its operations

#### 132: DISTRICTS LANDS OFFICES

The proposed net expenditure under this head is kshs 150, 000, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 150, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 132.

#### 376: PHYSICAL PLANNING – HEADQUARTERS, ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 44, 000, 000. The Committee observed that the net allocation has remained constant at Kshs 44 million.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 44, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 376.

#### 453: DISTRICT PHYSICAL PLANNING OFFICES

The proposed net expenditure under this head is kshs 25, 700, 000. The Committee observed that the net allocation has remained constant at Kshs 25, 700, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 25, 700, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 453.

## 5. VOTE 55 – MINISTRY OF FORESTRY AND WILDLIFE

### 5.1 Mandate and appearance

5.1.1 The Ministry of forestry and wildlife has the mandate to formulate, implement, monitor and review the forestry and wildlife policies in collaboration with relevant stakeholders;

5.1.2 It conserve and manage Forestry and Wildlife resources in the country in addition to being responsible for 75% of the tourism product, the country water towers, and supporting the environmental conservation, agricultural sector and energy production.

### 5.2 State Corporations and Departments

5.2.1 Key state corporations are:-

- Kenya Forest Service;
- Kenya Wildlife Service; and
- Kenya Forest Research Institute;

### 5.3 Papers Laid - Documents of reference

5.3.1 The Minister statement;

5.3.2 Draft Strategic Plan of the Ministry;

5.3.3 Strategic Plan for KWS, KFS, KEFRI and MFW;

5.3.4 The budget Estimates (recurrent and Development); and

5.3.5 Disaggregated Budget.

### 5.4 Areas of concern under the sub sector

5.4.1 The Kenya Wildlife Conservation and Management legal frameworks have been pending for a long time;

5.4.2 The continued Human-wildlife conflicts have not been well addressed in terms of budgetary allocations;

5.4.3 Need to increase the forest cover in five water towers and other forest areas in a bid to reach the recommended 10% forest cover.

5.4.4 To reduce resource degradation and minimize over – exploitation and excision of forests.

5.4.5 the issue of carbon credit for this country. The intention of the government is to set a sub region carbon credit market Emission Trading Scheme (ETS) in Kenya. the carbon credit should be able to give us funding that would assist us in adaptation and mitigating effects of climate change and be able to provide financial resources for forestry development of this country;

5.4.6 Need to upgrade the premium parks to increase number of tourists.

5.4.7 There is need to exploit the forest resources in terms of mature forest instead of importing wood and wood products from other countries; and

5.4.8 Poor implementation of the Kenya Forest Act;

## 5.6 ALLOCATION

### 5.6.1 REQUEST, ALLOCATION, EXPENDITURE AND ABSORPTION CAPACITY

#### i.) GOK - RECURRENT AND DEVELOPMENT AND ABSORPTION CAPACITY

ii.) AREAS LEFT OUT OF THE BUDGET

	Planned Programmes	Amount (Kshs.)
1	Ministry Headquarters	153 million
2	Kenya Wildlife Service	977 million
	Kenya Forest Service	, 631 million
	Kenya Forest research Institute	282 Million
	Wildlife Clubs of Kenya	20 Million
	<b>Total</b>	<b>5, 063 million</b>

5.6.2 ACTUAL ALLOCATIONS

Allocations for the year 2010/11(in Kshs millions)

Vote	Details	Printed 2009/10	Revised 2009/10	Requested Amount 2010/11	Ceilings 2010/11	Printed Estimates 2010/11
R55	Gross	3,769.60	3,575	8,962	3,498	4,794.9
	AIA	196.50	698		204	857.1
	Net	3,573	2,877		3,294	3,937.78
D55	Gross	2,003	1,893	4,329	1,263	2,874
	GoK		1,065		434	1,075
	Loans		513		513	899
	Grants		316		316	900

Source; Guidelines for preparation of the 2010/11-2012/13 (MTEF Budget ceilings)/ The Budget Policy Statement (BPS)/The MTEF Sector Reports for 2010 and the Printed Estimates 2010/11.

Analysis of Transfers to state corporations and Fund Accounts

Below are the SAGAs that fall under the Ministry of Forestry and Wildlife;

SAGA	Actual 2008/09	Forecast 2009/10	Estimates 2010/11
Kenya Wildlife Service	1,080.52	1,591.30	1,501.30
Kenya Forestry Research Institute	639.85	749.20	844
Kenya Forest Service Board	1,828.34	1,694.84	2,916.73

Source: 2010/11 nne of Estimates of re enue and e penditure of state corporations.

Summary of revenue and expenditure for State Corporations under the Ministry of Forestry and Wildlife for 2010/11 financial year in Ksh.(Millions)

Revenue	Actual 2008/09	Forecast 2009/10	Estimates 2010/11
Internally Generated Income	3,108.18	3,666.41	4,451.98
Government resources:			
Grants - Recurrent	3,208.19	3,280.56	4,284.2
Grants - Development	340.52	754.78	977.83

Other Incomes:			
Grants	626.97	1,397.86	2,336.45
Loans			
<b>Total Income</b>	<b>7,283.86</b>	<b>9,099.61</b>	<b>12,050.46</b>
<b>Expenditures</b>			
Recurrent Expenditures	6,570.68	9,406.14	9,106.12
<b>Surplus or (Deficits)</b>	<b>(254.30)</b>	<b>(2,459.17)</b>	<b>(369.94)</b>
Capital Expenditures	512.65	1,635.90	2,944.45

### 5.6.3 Issues from the Last published audited appropriations Accounts for 2007/08

- a.) **Under – expenditure and under – collection of Appropriations-In-Aid**  
The Appropriation Account for Vote D.55 reflects gross under-expenditure of Kshs.812million or approximately 37% of the approved estimates and under-collection of Appropriations-in-Aid of Kshs.80.52million or about 11% of the estimated receipts.
- b.) **Revenue Head 160-210 – Forest Revenue**  
The Statement of Revenue for the year ended 30 June 2008 does not show a summary of payments made to the Exchequer during the year, and in the previous years' report, the Arrears of Revenue stood at Kshs.200.77million as at 30 June 2007.
- c.) **Statement of Assets and Liabilities**  
The Statement of Assets and Liabilities for Vote R.55 as at 30 June 2008 reflects a Paymaster General Account balance of Kshs.55million, while both the Cashbook and the Board of Survey Report show an amount of Kshs.4.98million as at the same date.
- d.) **Statement of Assets and Liabilities for Vote D.55**  
The Statement of Assets and Liabilities for Vote D.55 as at 30 June 2008 reflects a Paymaster General Account balance of Kshs.86.66million, while the Cashbook as at the same date shows nil balance. The June Ledger on the other hand reflects a balance of Kshs.833.98million against the Account.

## 5.7 CONSIDERATION OF ESTIMATES

### 5.7.1 SCRUTINY OF THE RECURRENT ALLOCATIONS (R55) – COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

#### 170: HEADQUARTERS AND ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 474, 707, 320. In addition, under this head , the ministry expects to raise Kshs. 620,000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 474, 707, 320 be allocated to the Ministry for the expenditure proposed in the items under Head 170 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 620,000 to finance its operations.

#### 717: CONSERVATION DEPARTMENT



The proposed net expenditure under this head is kshs 30, 880, 680.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 30, 880, 680 be allocated to the Ministry for the expenditure proposed in the items under Head 717.

#### 531: KENYA WILDLIFE SERVICE

The proposed net expenditure under this head is kshs 937, 300, 000. The Committee observed that the net allocation has remained constant at kshs 937.3 million. And that the Committee was informed by the Minister that allocation for the KWS has been constant from last financial year into the medium term. This was because there has been no substantial increase of the Ministry's budgetary ceiling through the same period. However, KWS has been allowed to use funds collected as revenue.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 937, 300, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 531.

#### 646: FORESTRY RESEARCH INSTITUTE, HEADQUARTERS

The proposed net expenditure under this head is kshs 800, 000, 000. In addition, under this head, the Ministry expects to raise Kshs. 4, 500, 000 in Appropriation-in-Aid

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 800, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 646 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. Kshs. 4, 500, 000 to finance its operations.

#### 672: HEADQUARTERS, FORESTRY DEVELOPMENT

The proposed net expenditure under this head is kshs 1, 694, 900, 000. In addition, under this head, the ministry expects to raise Kshs. 852, 000, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 1, 694, 900, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 672 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 852, 000, 000 to finance its operations.

### 5.7.2 SCRUTINY OF THE DEVELOPMENT ALLOCATION (D55)– COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

#### 170: HEADQUARTERS AND ADMINISTRATIVE SERVICES

The proposed net expenditure under this head is kshs 216, 212, 854.

The Committee observed that there is an an increased because of new items - utilities and purchase of vehicles. Increases on Fuel and other operating expenses. Finance Management Services is a new sub-head.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 216, 212, 854 be allocated to the Ministry for the expenditure proposed in the items under Head 170.

#### 531:KENYA WILDLIFE SERVICE

The proposed net expenditure under this head is kshs 667, 613, 516. In addition, under this head, the Ministry expects to raise Kshs. 22, 500, 000 in Appropriation-in-Aid

The Committee further observed that the allocation for the KWS has been constant from last financial year into the medium term. This was because there has been no substantial increase of the Ministry's budgetary ceiling through the same period. The position has brought a lot of concern to KWS services due to subsequent low funding from the exchequer, and therefore urge the Ministry to consider in subsequent supplementary estimates to allocate sufficient funds to Kenya Wildlife Service in order for it to attain sustainability.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 667, 613, 516 be allocated to the Ministry for the expenditure proposed in the items under Head 531 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 22, 500, 000 to finance its operations.

#### 646: FORESTRY RESEARCH INSTITUTE, HEADQUARTERS

The proposed net expenditure under this head is kshs 44, 000, 000. The Committee observed that the net allocation increased significantly from kshs 15.997 million to kshs 44 million and all items are GoK funded.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 44, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 646.

#### 672: HEADQUARTERS, FORESTRY DEVELOPMENT

The proposed net expenditure under this head is kshs 22, 646, 750.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 22, 646, 750 be allocated to the Ministry for the expenditure proposed in the items under Head 672.

#### 675: FORESTRY TRAINING COLLEGE

The proposed net expenditure under this head is kshs 3, 300, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 750, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 675.

#### 676: FORESTRY AND PLANTATION DEVELOPMENT

The proposed net expenditure under this head is kshs 308, 870, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 308, 870, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 676.

#### 678: CATCHMENTS AND NATURAL FOREST CONSERVATION

The proposed net expenditure under this head is kshs 482, 589, 900. In addition, under this head, the ministry expects to raise Kshs. 152, 600, 000 in Appropriation-in-Aid.

The increases are to cater for Basic wages, training, other operating expenses, purchase of vehicles, construction works and purchase of seeds and live animals. The programme is funded by various donors, ADF and GoK.

The Committee observed that this is attributed to the fact that this vote head is designed to enhance conservation and protection of indigenous forests and therefore the main activities here include patrols and surveillance. Other programmes designed to address tree planting outside the protected forest areas e.g. ASAL and where the actual expansion of forest cover will take place. This is part of the efforts to increase forest cover.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 482, 589, 900 be allocated to the Ministry for the expenditure proposed in the items under Head 678 and that the ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 152, 600, 000 to finance its operations.

#### 681:ROAD CONSTRUCTION UNIT

The proposed net expenditure under this head is kshs 128, 900, 000.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding kshs 128, 900, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 681.

#### 738: ARID AND SEMI – ARID LANDS FORESTRY

The proposed net expenditure under this head is kshs 99, 822, 400. In addition, under this head, the Ministry expects to raise Kshs. 715, 000, 000 in Appropriation-in-Aid.

The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs 99, 822, 400 be allocated to the Ministry for the expenditure proposed in the items under Head 738 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 715, 000, 000 to finance its operations

#### 748: FORESTRY INSPECTION AND PATROL UNIT

The proposed net expenditure under this head is kshs 10, 000, 000. The Committee is agreeable to the proposal by the Minister that a sum not exceeding Kshs. 10, 000, 000 be allocated to the Ministry for the expenditure proposed in the items under Head 748.

*PROGRAMME FOR CONSIDERATION OF THE 2010/2011 ESTIMATES*

Thursday, June 17, 2010

Morning Sitting (09.30a.m – 12.30p.m.)

Meeting with the Minister for Lands – casino land

(Venue – Committee Room 5, Fifth Floor Continental House )

Monday, June 21, 2010

Afternoon Sitting (2.30 P.M. – 4.30 P.M.)

Deliberations on the Committee programme and Meeting with the Office of Fiscal Analysis

(Venue – Committee Room 5, Fifth Floor Continental House )

Tuesday, June 22, 2010

Morning Sitting (9.00 A.M. – 12.30 P.M.)

Meeting with the Minister for Lands  
Examination of Estimates for the Ministry of Lands: R.36 and D.36  
(Recurrent and Development);

(Venue – Committee Room 5, Fifth Floor Continental House )

Friday, June 25, 2010

Morning Sitting (9.00 A.M. – 12.30 P.M.)

Meeting with the Minister for Forestry and Wildlife  
Examination of Estimates for the Ministry of Forestry and Wildlife: R.55 and D.55  
(Recurrent and Development);

Afternoon Sitting (2.30 P.M. – 4.30 P.M.)

Meeting with the Minister for Forestry and Wildlife  
Examination of Estimates for the Ministry of Forestry and Wildlife: R.55 and D.55  
(Recurrent and Development);

(Venue – Committee Room 5, Fifth Floor Continental House )

Tuesday, June 29, 2010

Morning Sitting (9.00 A.M. – 12.30 P.M.)

Meeting with the Minister for Environment and Mineral Resources  
Continuation of Examination of Estimates for R.21 and D.21 (Recurrent and Development)

\*Note: this meeting is subject to conclusion of agenda for June 22, 2010.

(Venue – Committee Room 5, Fifth Floor Continental House )

WEDNESDAY June 30, 2010

Morning Sitting (9.00 A.M. – 12.30 P.M.)

Meeting with the Minister for Water and Irrigation  
Examination of Estimates for Ministry of Water and Irrigation: R. 20 and D.20 (Recurrent  
and Development);

Afternoon Sitting (2.30 P.M. – 4.30 P.M.)

Meeting with the Minister for Water and Irrigation  
Continuation of Examination of Estimates for R.20 and D.21 (Recurrent and Development)

\*Note: this meeting is subject to conclusion of agenda during morning sitting.

Thursday, July 1, 2010

Morning Sitting (9.00 A.M. – 12.30 P.M.)

Consideration of submissions, report adoption.

(Venue – Committee Room 5, Fifth Floor Continental House )

## APPENDIX TWO – MINUTES

MINUTES OF THE TWENTY SEVENTH SITTING OF THE DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES HELD ON MONDAY, JUNE 14, 2010 IN COMMITTEE ROOM 5, FIFTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 02.30 P.M.

### PRESENT

The Hon. Mutava Musyimi, MP – Chairperson  
The Hon. Benedict Fondo Gunda, M.P  
The Hon. Benjamin Jomo Washiali, M.P

### ABSENT WITH APOLOGY

The Hon. Peris Chepchumba Simam, M.P – V/chairperson  
The Hon. Silas Ruteere Muriuki, M.P  
The Hon. Omar Zonga, M.P  
The Hon. Martin O. Ogindo, M.P  
The Hon. Njuguna Gitau, M.P  
The Hon. Mohammed Affey, M.P  
The Hon. Kiema Kilonzo, MP

### IN-ATTENDANCE - KENYA NATIONAL ASSEMBLY

Rana Tiampati - Clerk Assistant II

### MIN: 129/2010: PRAYERS

The Chairperson called the meeting to order at 2.35 p.m. after prayers were said thereafter read out the agenda items thereafter were adopted by Members present.

- i. Prayers;
- ii. Confirmation of minutes;
- iii. Matter arising;
- iv. Deliberation on the Budget Scrutiny – FY 2010/010 Programme;
- v. Date of the next meeting
- vi. Any other business

### MIN: 130/2010: CONFIRMATION OF THE PREVIOUS MINUTES

Confirmations of Minutes of the Twenty First, Twenty Second, Twenty Third, Twenty Fourth, Twenty Fifth and Twenty Sixth Sittings were postponed to a later date.

### MIN. 131/2010: DELIBERATION ON THE BUDGET SCRUTINY – FY 2010/010 PROGRAMME

The Committee deliberated on the programme for scrutiny of Budget Estimates fro the financial year 201-0/11 and agreed to meet as follows: -

**Thursday, June 17, 2010**

**Morning Sitting (09.30a.m – 12.30p.m.)**

**Meeting with the Minister for Lands – casino land**

**(Venue – Committee Room 5, Fifth Floor Continental House )**

**Monday, June 21, 2010**

**Afternoon Sitting (2.30 P.M. – 4.30 P.M.)**

**Deliberations on the Committee programme and Meeting with the Office of Fiscal Analysis**

**(Venue – Committee Room 5, Fifth Floor Continental House )**

**Tuesday, June 22, 2010**

**Morning Sitting (9.00 A.M. – 12.30 P.M.)**

**Meeting with the Minister for Lands  
Examination of Estimates for the Ministry of Lands: R.36 and D.36  
(Recurrent and Development);**

**(Venue – Committee Room 5, Fifth Floor Continental House )**

**Thursday, June 24, 2010**

**Morning Sitting (9.00 A.M. – 12.30 P.M.)**

**Meeting with the Minister for Environment and Mineral Resources  
Continuation of Examination of Estimates for R.21 and D.21 (Recurrent and  
Development)**

**\*Note: this meeting is subject to conclusion of agenda for June 22, 2010.**

**(Venue – Committee Room 5, Fifth Floor Continental House )**

**Friday, June 25, 2010**

**Morning Sitting (9.00 A.M. – 12.30 P.M.)**

**Meeting with the Minister for Forestry and Wildlife  
Examination of Estimates for the Ministry of Forestry and Wildlife: R.55 and D.55  
(Recurrent and Development);**

**(Venue – Committee Room 5, Fifth Floor Continental House )**

**WEDNESDAY June 30, 2010**

**Morning Sitting (9.00 A.M. – 12.30 P.M.)**

**Meeting with the Minister for Water and Irrigation  
Examination of Estimates for Ministry of Water and Irrigation: R. 20 and D.20  
(Recurrent and Development);**

**(Venue – Committee Room 5, Fifth Floor Continental House )**

**Thursday, July 1, 2010**

**Morning Sitting (9.00 A.M. – 12.30 P.M.)**

**Consideration of submissions, report adoption.**

**(Venue – Committee Room 5, Fifth Floor Continental House )**

The Committee further directed the secretariat to confirm the availability of Minister and officials on the proposed dates.

**MIN: 132/2010: ADJOURNMENT**

There being no any other business, the Chairman adjourned the sitting at thirty four minutes past Twelve o'clock. Until Thursday, June 17, 2010 in Committee Room 5, Fifth Floor, Continental House Parliament Buildings at 09.30a.m.

Signed...Hon. Mutava Musyimi,MP..... Date.....July 7, 2010...  
Chairman



MINUTES OF THE TWENTY EIGHTH SITTING OF THE DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES HELD ON THURSDAY, JUNE 17, 2010 IN COMMITTEE ROOM 5, FIFTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 09.00 A.M.

PRESENT:

Hon. Mutava Musyimi, MP  
Hon. Mohammed Affey, MP  
Hon. Benedict Gunda, MP  
Hon. Kiema Kilonzo, MP  
Hon. Benjamin Washiali, MP  
Hon. Njuguna Gitau, MP  
Hon. Omar Zonga, MP  
Hon. Martin Ogindo, MP

ABSENT WITH APOLOGY

Hon. Silas Ruteere, MP  
Hon. Peris Simam, MP

IN ATTENDANCE - KENYA NATIONAL ASSEMBLY

Mr. Rana Tiampati - Clerk Assistant  
Mr. Oscar Namulanda - Clerk Assistant

MINISTRY OF LANDS

Hon. James Orengo, MP -Minister for Lands  
Ms. Dorothy Angote -Permanent Secretary  
Mr. Zablon Mabea -Commissioner of land  
Mr. N. Mbatia -Chief Land Registrar  
Mr. A. Itui -Chief Land Valuer

MIN.NO.133/2010 : INTRODUCTION

The Chairperson called the meeting to order at 09.35 a.m. after prayers were said and read out the agenda items thereafter were adopted by Members present.

- i.) Prayers;
- ii.) Confirmation of minutes;
- iii.) Matter arising;
- iv.) Meeting with the minister for lands – State of L.R. No. 209/7374;
- v.) Date of the next meeting
- vi.) Any other business

He further welcomed Members and other persons present in the meeting and introduced the Members present and subsequently requested the Minister to introduce the officers accompanying him.

The Chair further informed the Minister that the agenda for the meeting is as a result of a House resolution that the Committee investigates the state of L.R. 209/7374. In addition, the Minister should respond to the queries raised by the House with the Committee as his own statement to the House on the need for full disclosure of transaction surround the piece of land.

MIN.NO.134/2010 : CONFIRMATION OF MINUTES

Confirmations of Minutes of the Twenty First, Twenty Second, Twenty Third, Twenty Fourth, Twenty Fifth, Twenty Sixth and Twenty Seventh Sitzings were postponed to a later date.

MIN.NO.135/2010: STATE OF L.R. NO.209/7374

(a) Papers Laid

The Minister for Lands, Hon. James Orengo, EGH, MP tabled the following documents: -

- (i) Copies of deed files in transactions thereof
- (ii) Memorandum to the Permanent Secretary and Cabinet dated August 16, 2009;

(b) He informed the Committee that:-

- (i) The piece of land L.R. No.209/7374, was L.R. No.209/71/2 granted by the Crown in 1902 to Mr. George Stuart for Residential purpose;
- (ii) The Cabinet Memo was not forwarded therefore stopped, following the requisition of statement by Parliament and subsequent referral of the matter by the House to the Parliamentary Committee on Lands and Natural Resources. This is in order to convey the decision of the Committee and Parliament in General to the Cabinet;

Following deliberations, the Committee made the following observations:

- (i) That the full disclosure of the transactions involved following the transfers from Galaxy Walkers to Azarel investments limited.
- (ii) Azarel Investment Limited is the Nominal Owners of the property, leased from Government of Kenya. However, the title has a Caveat.
- (iii) That the Ministry of Lands was the only one handling the transaction of the piece of land. The Cabinet office and Ministry of finance were involved in grant of waiver and revenue collection respectively.
- (iv) That Azarel has not provided or met any of the conditions set following the transfer of property to them.
- (v) That Azarel Investment limited do not have anything to show or proof they have any financial capabilities to undertake the intended development on the land;
- (vi) Treasury is concerned on the loss or recovery of revenue not transfer of the piece of land. Therefore, following the request of NIC to pay the principal land rent instead of the whole outstanding land rent which was due, the waiver of penalties was granted by Treasury;
- (vii) The Ministry of Lands extended the lease period from 2 years to 7 years following request by NIC in order for it to exercise statutory power of sale to Galaxy Walkers Limited;
- (viii) The Attorney General office was requested to recover the accrued interest in Court but the Case was not moving hence decision by the Bank and treasury to recover both depositors funds and Land rent through statutory power of sale to Galaxy Walker Limited from Tourist Paradise Investment;
- (ix) The reduction in rent was due to changes of user and the intended development coupled with the age limit of the structures on the land following a valuation;
- (x) That the transaction from Galaxy Walkers Limited to Azarel Investment Limited was not done in the interest of the public, therefore for speculative purpose;

- (xi) Therefore, the transfer within 4 months to Azarel Investment Limited by Galaxy Limited prompted the Ministry of Lands to Interrogate the matter before all else. And resolved to place a caveat on the title;
- (xii) That the legal department of the Ministry need to be strengthened due to the enormous complain on land in the country;
- (xiii) Minister to table his memo dated June 16, 2009.

**MIN.NO. 136/2010: HOUSE KEEPING MEETING**

- (a) The programme for the scrutiny of Budget estimates was presented to the Committee: The Committee deliberated on it and approved it however directed the secretary to confirm the attendance of Ministers confirmed.
- (b) The meeting was informed that the following have confirmed:
  - (i) Ministry of Lands on Tuesday, June 22, 2010 at 11.00 a.m.;
  - (ii.) Ministry of Forestry and Wildlife on Friday, June 25, 2010 at 10.00 a.m.
  - (iii.) Ministry of Water and Irrigation on Wednesday, June 30, 2010 at 9.00 a.m.
- (c.) The Hon. Mohammed Affey, MP gave his apologies in advance for missing Committee meetings due to the engagements elsewhere; this is because he chairs the Committee on Equal Opportunity.
- (d.) The Committee was informed by the Chair that it has been directed by the Speaker that the petition by Hon. Khalwale be considered within 21 days from June 16, 2010.

**MIN.NO.137/2010: ADJOURNMENT**

There being no any other business, the Chair adjourned the sitting at 12.35 p.m. until Monday, June 21, 2010 in committee Room 5<sup>th</sup> Floor, Continental House at 2.30 p.m.

Signed...Hon. Mutava Musyimi,MP..... Date.....July 7, 2010...  
Chairman

MINUTES OF THE TWENTY NINTH SITTING OF THE DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES HELD ON MONDAY, JUNE 21, 2010 IN COMMITTEE ROOM 5, FIFTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 02.30 P.M.

PRESENT:

Hon. Mutava Musyimi, MP – Chairperson  
Hon. Peris Simam, MP– V/Chairperson  
Hon. Benedict Gunda, MP  
Hon. Silas Ruteere, MP  
Hon. Kiema Kilonzo, MP  
Hon. Benjamin Washiali, MP  
Hon. Njuguna Gitau, MP  
Hon. Omar Zonga, MP

ABSENT WITH APOLOGY

Hon. Mohammed Affey, MP  
Hon. Martin Ogindo, MP

IN ATTENDANCE - KENYA NATIONAL ASSEMBLY

Mr. Rana Tiampati	-	Clerk Assistant
Mr. M. Masinde	-	Budget Analyst, PBO
Mr. Kepha Omoti	-	Research Officer, Kenya National Assembly
Mr. M. Kitheka	-	Parliamentary Intern, PBO

MIN.NO.138/2010: INTRODUCTION

The Chairperson called the meeting to order at 02.35 p.m. after prayers were said thereafter read out the agenda items thereafter were adopted by Members present.

- i. Prayers;
- ii. Confirmation of minutes;
- iii. Matter arising;
- iv. Briefing by the Budget Office on the Financial Estimates 2010/011 for vote 20, 21, 36 and 55;
- v. Date of the next meeting
- vi. Any other business

He further welcomed Members and other persons present in the meeting

The Chairperson also informed the meeting that the Minister for Environment and Mineral Resources has requested to meet the Committee on June 29, 2010 at 09.00 a.m., which was adopted by the committee and directed the secretary to write back to the Ministry to inform of the decision.

MIN.NO.139/2010 : CONFIRMATION OF MINUTES

Confirmations of Minutes of the Twenty First, Twenty Second, Twenty Third, Twenty Fourth, Twenty Fifth, Twenty Sixth, Twenty Seventh and Twenty Eighth Sittings were postponed to a later date.

MIN.NO.140/2010: BRIEF BY PARLIAMENTARY BUDGET OFFICE

(a) Papers Laid

The Parliamentary Budget Officer laid before the Committee a brief to the land and Natural Resources Committee on the 2010/11 Budget and the Medium Term.

(b) The Parliamentary Budget Officer briefed the committee on the following:-

(i) That the Committee during scrutiny of estimates of the ministries under its mandate should have:-

- a.) a copy of issues raised by the Committee with the Ministries in the 2009/10 scrutiny;
- b.) a compliance report – showing the performance of various ministries;

(ii) The areas that need special scrutiny is on the achievement in the lasy Financial Year, Foreign travel, Forest Conservation, absorption capacity and under –expenditure and under – collection of A-I-A; pending Bills, Auditing of Accounts of state corporations;

(iii) Ministry of Water and Irrigation

a. issues

• Grants to Water Service Board

The Appropriation Account reflects Grant Payments totaling Kshs.78.25million to Tana Water Services Board and Northern Water Services Board during the year. The Boards however did not prepare and submit accounts for audit in the year 2007/08.

• Pending Bills

The ministry has bills totaling Kshs.96.40million relating to the year 2007/2008 which were carried forward to the financial year 2008/2009 with Kshs.55.8million chargeable to the Recurrent Vote and the balance of Kshs.40.60million to the Development Vote.

• Unaccounted for Receipt Books

It was noted that six (6) water receipt books issued between October 2007 and February 2008 to Tambach, Kapkoi and Chepkosio Water Supply Stations for use in revenue collection had not been accounted for as at 30 June 2008. As a result it has not been possible to ascertain the amount of revenue received on account of the six receipt books. It has also not been possible to establish how such revenue was accounted for.

• Statement of Assets and Liabilities for VoteD.20

The Statement of Assets and Liabilities for Vote D.20 as at 30 June 2008 reflects various debit and credit balances totaling Kshs.3, 727.80million and Kshs.12, 392.40million respectively, under various Accounts which have not been supported with analyses. The Statement also reflects various excess vote balances totaling Kshs.278.62million, relating to the period between 1979/80 and 1990/91 for which the balances have not been regularized to date.

b. Key Policy issues

The following are the priorities that should have informed the financial year 2010/11 budget;

- ✓ The rapid increase in demand for water without commensurate increment in water services and facilities provision in rural areas and informal urban settlements.

- ✓ The regulation of the mushrooming water vendors to meet the water services demand in urban centres.
- ✓ The increased pressure to manage the country's water resources more efficiently and ensure that water services are availed equitably among the diverse uses.
- ✓ Addressing the limited water storage capacity in the country through building water pans and dams in the ASAL areas.

**(iii) Ministry of Environment and Mineral Resources**

**(a) Issues**

- **Unvouched Expenditure**

The Appropriation Account for Vote R.21 for the year ended 30 June 2008 reflects total expenditure of Kshs.989.38million, out of which a sum of Kshs.476.77million incurred representing approximately 48% of the total expenditure, was not supported with relevant payment vouchers and other related records.

- **Under-expenditure and Under-collection of Appropriations-In-Aid**

The Appropriation Account for the Vote reflects gross under-expenditure of Kshs.679.83million or approximately 55% of the approved estimates of Kshs.1,229.65million and an under-collection of Appropriations-In-Aid of Kshs.547million or about 74% of the estimated receipts of Kshs.733.97million. They occurred under Sub-votes 210,214,215 relating to General Administration, Department of Resource Survey and Remote Sensing and Environmental Management and Protection respectively.

- **Statement of Assets and Liabilities for Vote R.21**

The Statement of Assets and Liabilities for Vote R.21 as at 30 June 2008 reflects debit balances totaling Kshs.68.54million and credit balances totaling Kshs.882.59million reconciled. In addition reflects Excess Vote balances totaling Kshs.4.40million and General Account on Vote (net surplus) balances of Kshs.761.15million relating to the period between 1983/1984 and 2006/2007.

The Statement shows Exchequer Account balances totaling Kshs.325.58million in respect of Exchequer under Issues for the period between 1995/1996 and 2006/2007, which have remained uncleared.

The Paymaster General Account (PMG) debit balance of Kshs.1,305.90million as at 30 June 2008 differs with June I Ledger balance of Kshs.6,469million. The PMG balance further differs with the Cashbook balance of Kshs.3.38million by a figure of Kshs.1,302.52million.

- **Statement of Assets and Liabilities for Vote D.21;**

The Statement of Assets and Liabilities for the Vote reflects various debit and credit balances totaling Kshs.150.76million and Kshs.640million respectively, which have not been analyzed and a credit balance of Kshs.192.5million under the Standing Imprest Account. The Statement also reflects various Exchequer Account balances totaling Kshs.1,108million, relating to the period 1994/95 to 2005/2006. In addition, there is a General Account of Vote balance of Kshs.1,512million for the years between 1994/95 and 2005/2006 and also a Paymaster General Account debit balance of Kshs.968.68million,with Development Cashbook and Board of Survey Report as at 30 June 2008 show a balance of Kshs.6.36million.

- **Statement of Assets and Liabilities for Deposits**

The Statement of Assets and Liabilities for Deposits as at 30 June 2008 reflects various debit and credit balance of Kshs.28.40million and Kshs.418.88million respectively. The Statement also reflects a Vote Adjustment Account – Ministry of Water credit balance of Kshs.224million relating to 2006/2007 and prior years, which differs with the June Ledger balance of Kshs.3million. In addition, the Statement reflects a Paymaster General Account debit balance of Kshs.390.50million, which differs with the Trial Balance figure of Kshs.355.77million and the Cashbook balance of Kshs.171.92million by Kshs.34.74million and Kshs.218.58million respectively. The differences between the three sets of records have not been reconciled or explained.

**(b) Key Policy Issues**

The following are the priorities that should have informed the financial year 2010/11 budget;

- ✓ There is need to rehabilitate the already existing quarries and the regulation of the quarrying industry.
- ✓ It is imperative to prioritize issues of climate change to curb its effects.
- ✓ Restoration of forest cover in the five water towers and other forest areas with a view to meet the recommended forest cover of 10%.
- ✓ The disposal of wastes and sewage treatment in informal settlements in urban areas.

**(iv) Ministry of Lands**

**a. Issues**

- **Submission of financial statements for agricultural settlement fund trustees**

The Ministry did not submit for audit financial statements for agricultural settlement fund trustees for thirteen financial years from 1995/96 to 2007/2008 and received grants amounting to Kshs. 2,382.58million.

- **Under-expenditure and under-collection of Appropriations – in – Aid**

The appropriation Account for the year ended 30 June 2008 reflects gross under-expenditure of Kshs. 387million representing approximately 21% of the approved estimates of Kshs.1, 842.5million. The Appropriation Account also reflects under-collection of Appropriations-in - Aid amounting to Kshs.50. 5million or 100% of estimated receipts. This is attributed to non-receipt of expenditure returns from various development partners.

- **Unvouched Expenditure**

Expenditure amounting to Kshs.140. 95million charged to the Appropriation Account for Vote 36 for the year ending 30 June 2008 was not supported with the relevant documentary evidence including payment voucher.

- **Statement of revenue for head 150-360-Lands revenue**

The lands revenue for the year ended 30 June 2008 totals to Kshs. 90.5million as having been paid to the Exchequer during the year. Records at Treasury indicate however revenue amounting to Kshs. 1,375.40million as having been received during the year.

- **Arrears of Revenue**

Arrears received amounted to Kshs. 458.40million or about 5% of total arrears outstanding of Kshs.8, 923.40million as at 30 June 2007, leaving a balance of Kshs.8, 465million. Additional arrears of revenue amounting to Kshs.443million were however recorded in 2007/08, raising the outstanding balance of such arrears to Kshs. 8,908million as at 30 June 2008.

- **Township roads and Drains account**

In the previous year's report, mention was made of an unsupported journal voucher dated 30 September 2005 for an amount of Kshs.361.20million, used to clear an accumulated deficit of Kshs. 345.58million against the Township Roads and Drains Account as at 30 June 2004. The Ministry has not yet obtained approval from treasury to clear the deficit.

- **Statement of Assets and Liabilities for Vote 36**

The Statement of Assets and Liabilities for Vote R.36 as at 30 June 2008 reflects a debit balance of Kshs.328.64million under the Exchequer Account, which includes an amount of Kshs.312.39million brought forward from 2006/2007 and earlier years. In addition, the Statement reflects a General Account on Vote credit balance of Kshs.570million, which includes balances totaling Kshs.525.84million relating to 2006/2007 and earlier years and an Excess Appropriations-In - Aid credit balance of Kshs.50.39million.

- **Statement of Assets and Liabilities for Vote D.36**

The Statement of Assets and Liabilities for Vote D.36 as at 30 June 2008 reflects a debit balance of Kshs.440.69million.with some balance dating to the period between 1999/2000 and 2005/2006.There is also a debit balance of Kshs. 296.73million under Paymaster General Account relating to the period between 1999/2000 and 2006/2007. The Statement in addition reflects a credit balance of Kshs.701.46million which includes an amount of Kshs.364.93million relating to 2006/2007 and previous year.

- b. **Key policy issues**

The following are the priorities that should have informed the financial year 2010/11 budget;

- ✓ There are many land laws in Kenya that create confusion making land management intricate.
- ✓ Need to improve the process of land adjudication and registration in the country to enable people to assert their right over land.
- ✓ There is need to encourage sustainable land use practices to reduce the land degradation process.

- (v) **Ministry of Forestry and wildlife**

- (a) **Issues**

- **Under – expenditure and under – collection of Appropriations-In-Aid**

The Appropriation Account for Vote D.55 reflects gross under-expenditure of Kshs.812million or approximately 37% of the approved estimates and under-collection of Appropriations-in-Aid of Kshs.80.52million or about 11% of the estimated receipts.

- **Revenue Head 160-210 – Forest Revenue**



The Statement of Revenue for the year ended 30 June 2008 does not show a summary of payments made to the Exchequer during the year, and in the previous years' report, the Arrears of Revenue stood at Kshs.200.77million as at 30 June 2007.

- **Statement of Assets and Liabilities for Vote R.55**

The Statement of Assets and Liabilities for Vote R.55 as at 30 June 2008 reflects a Paymaster General Account balance of Kshs.55million, while both the Cashbook and the Board of Survey Report show an amount of Kshs.4.98million as at the same date.

- **Statement of Assets and Liabilities for Vote D.55**

The Statement of Assets and Liabilities for Vote D.55 as at 30 June 2008 reflects a Paymaster General Account balance of Kshs.86.66million, while the Cashbook as at the same date shows nil balance. The June Ledger on the other hand reflects a balance of Kshs.833.98million against the Account.

(b) **Key Policy Issues**

- ✓ Need to increase the forest cover in five water towers and other forest areas in a bid to reach the recommended 10% forest cover.
- ✓ To reduce resource degradation and minimize over – exploitation and excision of forests.
- ✓ Addressing the human encroachment on wildlife corridors.
- ✓ To reduce cases of human wildlife conflict.
- ✓ Need to upgrade the premium parks to increase number of tourists.

(vi) The Committee consider the estimates of each ministry, head by head;

MIN. NO. 141/2010: STATE OF L.R. 209/7374

The Committee directed the Secretariat to write to the Minister of Lands to avail to the Committee, the in house transactions – those who signed and responsible.

MIN.NO.142/2010: ADJOURNMENT

There being no other business, the Chair adjourned the sitting at thirty six minutes past four O'clock until Tuesday, June 22, 2010 at 11.00 a.m. in Committee Room, 5<sup>th</sup> Floor, Continental House.

Signed...Hon. Mutava Musyimi,MP..... Date.....July 7, 2010...  
Chairman

MINUTES OF THE THIRTIETH SITTING OF THE DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES HELD ON TUESDAY, JUNE 22, 2010 IN COMMITTEE ROOM 5, FIFTH FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 11.00 A.M.

PRESENT:

Hon. Mutava Musyimi, MP – Chairperson  
Hon. Peris Simam, MP– V/Chairperson  
Hon. Benedict Gunda, MP  
Hon. Silas Ruteere, MP  
Hon. Mohammed Affey, MP  
Hon. Benjamin Washiali, MP  
Hon. Njuguna Gitau, MP  
Hon. Omar Zonga, MP

ABSENT WITH APOLOGY

Hon. Kiema Kilonzo, MP  
Hon. Martin Ogindo, MP

IN ATTENDANCE - KENYA NATIONAL ASSEMBLY

Mr. Rana Tiampati - Clerk Assistant

MINISTRY OF LANDS

Hon. James Orengo, MP -Minister for Lands  
Ms. Dorothy Angote -Permanent Secretary  
Mr. Zablun Mabea -Commissioner of lands

MIN.NO.143/2010: INTRODUCTION

The Chairperson called the meeting to order at 11.05 a.m. after prayers were said thereafter read out the agenda items thereafter were adopted by Members present.

- i. Prayers;
- ii. Confirmation of minutes;
- iii. Matter arising;
- iv. Briefing by the Scrutiny of the budget Estimates for Vote 36;
- v. Date of the next meeting
- vi. Any other business

He further welcomed Members and other persons present in the meeting and introduced the Members present and subsequently requested the Minister to introduce the officers accompanying him.

MIN.NO.144/2010 : CONFIRMATION OF MINUTES

Confirmations of Minutes of the Twenty First, Twenty Second, Twenty Third, Twenty Fourth, Twenty Fifth, Twenty Sixth, Twenty Seventh, Twenty Eighth and Twenty Ninth Sittings were postponed to a later date.

MIN.NO.145/2010: SCRUTINY OF BUDGET ESTIMATE FOR VOTE 36

a.) Papers Laid

The Minister's statement on the 2010/2011 printed estimates for the Ministry of Lands.

b.) The Minister for Lands briefed the Committee on the following:

- (i) The financial year 2010/11 estimates was based on the Vision 2030 and its MTP 2008-2012 which identified Land reforms, in the Natural Land Policy as the main blue print by the Ministry;
- (ii) The projects in the MTP 2008-2012 of V 2030, that will be implemented include:
  - (a) Construction and rehabilitation of Land registering to ensure accessibility and improve governance. And in FY 2010/11, through Ardhi Houses in Isiolo and Trans Nzoia districts will be completed and the Ministry headquarters, Kiambu, Kajiado district will be rehabilitated.
  - (b) Land Information Management System – development of GIS based National LIMS.
  - (c) Natural Spatial Plan
  - (d) Land cover and Land use mapping by updating maps of Land use pattern in Kenya.
- (iii) **Budget allocation**
  - The Ministry budgeting provision has been inadequate and exhibiting declining trend. However, it has continued to give significant annual contribution in revenue and AIA by collected Kshs.6 million for the last three years.
  - Ministry requested kshs.12, 211,882,673 but was allocated Kshs.3, 951,700 was in the 2010/11 printed estimates.
  - 42% 91,675,420,300 is in recurrent vote while 58% (Kshs.2, 276,037,400) in development vote.
  - Allocation to the Ministry has shown an upward trend from 2008/9 to 2010/11 FYs.
  - The increase in allocation is 2009/10 and 2010/11 Financial Years caused by a finding of Kshs.1.4 billion and Kshs.1.5. billion respectively for the purchase of farms to settle IDPs and further in 2010/11 Financial Year, Kshs.221 million was allocated for computerization of Land records.
  - In Financial Year 2007/08 from 2006/07 due to a funding for the purchase of a farm at a cost of Kshs.1.35 billion i.e. Solia Rauch.
  - The implementation of Natural Land Policy is one of the programmes that would require Kshs.9.6 billion to implement and the Ministry has requested Kshs.3 billion in 2010/11 Financial Year. That following new projects/programmes will be implemented in 2010/11 financial year
    - i. Construction of access road and car park for the survey field headquarter at Kshs.29million.
    - ii. Construction of Kenya national Spatial data infrastructure centre;
    - iii. Refurbishment of ministry headquarters;
    - iv. Surveying of international and National boundaries as inspecting and maintaining boundaries pillars.
- (iv) **Partially funded programmes**
  - (i) Computerization programme – Kshs.1.3 billion required but received Kshs.230,387,673;
  - (ii) Implementation of NLP – Kshs.1, 56 billion in first year and only Kshs.520, 750,061 was received. However, Kshs.301, 250,000 will be from donors, kshs.200, 000,000 in revenue. Government of Kenya is only giving Kshs.19,500,061;

- (iii) Preparation of National Spatial plan – Kshs.700 million required but only received Kshs.44million;
- (iv) Implementation of the Kenya National Spatial Data Infrastructure project – Kshs.200,000,000 requested but given Kshs.54,170,646;
- (v) Clearance of the arrears of allowance for Land Disputes Tribunal Members – Kshs.66, 070,285 was requested but allocated Kshs.46, 249,199. In addition, for clearing for allowances Land Control Board Members – Kshs.11,260,285 was requested but allocated Kshs.7,882,199;
- (vi) Purchase of land for settling Internally Displaced People (IDPs), Embobut forest evictees Chepyuk settlers and other squatters, - Kshs.7.22billion was requested but Kshs.1.5billion was allocated for settlement of Internally Displaced People (IDPs);
- (vii) Completion of adjudication sections – Kshs.1,563,189,319 was requested as required but received Kshs.5,779,934;
- (viii) Training and capacity building – Kshs.42, 000,000 was requested but received Kshs.19, 549,488.

(v) Projects/programme left out

- i. Recruitment of staff
- ii. Purchase of vehicles
- iii. Purchase of farms to settle the landless poor
- iv. Establishment of new district offices

(vii) Achievements for Financial Year 2009/10: -

- Sessional Paper No.3 of 2009 on National Land Policy discussed and adopted by Parliament on 3<sup>rd</sup> December 2009;
- Developed eviction and resettlement guidelines;
- Captured and safeguarded 125,000 land paper records in the Central registry. A state of the art scanner which is able to scan 100,000 land paper records per day has been donated by SIDA, installed and is ready for scanning the safeguarded land records. Further 61,000 cadastral survey plans and 126 topographical maps have been scanned and databases created;
- Initiated the piloting of National Land Policy principles at the local level (safeguarding of land records at Nakuru and Mombasa land registries);
- Developed an Integrated Land Rent Information System and captured details of 135,000 Government leased plots into the system;
- The Ministry developed a draft Kenya National Spatial Data Infrastructure policy and prepared a Cabinet Memo;
- National Land Use Policy concept paper was finalized;
- A national Land Use/Spatial Plan concept paper was finalized.
- Provided secure land tenure by issuing 108,494 title deeds, settling 12,000 poor landless families and finalized 30 adjudication sections. Further 12,800 land adjudication disputes and backlog of 600 land disputes were resolved.
- Compulsory acquisition of land for ten national infrastructural projects is ongoing and at various completion stages; Imenti-Kionyo road, Chogoria-Ndagane loop road, Meru Marimba road, Makutano-Kikima town, Meru-Mikinduri road, Kirigiti-Ruki-Ngewa Road, Nairobi Northern bypass, Kagio-Baricho Road, Thogoto –Gikambura Road, Embu-kianjokoma road.
- Completed construction of Ardhi houses in Bondo, Siaya, Eldoret and Thika Districts. Refurbished land offices in Garissa, Mandera, Koibatek, Kisumu, Kisii, Naivasha and Migori, Initiated construction of Ardhi houses in Trans Nzoia and Isiolo districts.
- Constructed a new banking hall in the Ministry headquarters and refurbished the Central and Nairobi registries.

- Initiated preparation of Regional Physical Development Plan for Northern Kenya (North Eastern Province and northern parts of Rift-Valley and Eastern Provinces)
  - Initiated preparation of Local Physical Development Plans for two resort cities (Diani/Ukunda and Kilifi).
  - Prepared 20 Local Physical Development plans for various urban and local centres in the country.
  - Prepared Local Physical Development Plan for Kisumu.
  - Undertook three capacity building workshops for local authorities for the greater Murang'a Busia and Garissa Districts.
  - Purchase, planned and surveyed a total of 8 land parcels for settlement of the internally Displaced Persons.
  - Initiated the survey of four blocks forest reserve namely, Maasai Mau, Olposimoru, South-West Mau and Transmara.
  - Processed 71,448 plots to prepare/update Registry Index Maps (R.I.M) to support land registration.
  - Prepared and processed 12,483 deed plans.
  - Prepared and revised 10 national topographical and thematic maps to support planning and decision making.
  - Inspected and maintained 227 National and International boundary pillars.
  - Produced 110 graduates with diplomas in Surveying and Mapping and trained 115 students in various short term courses at Kenya Institute of Surveying and Mapping (KISM).
  - Trained at least 361 officers in the headquarters and field stations on various need-based courses.
  - Prepared a draft Cabinet memo for conversion of KISM into a SAGA
- (viii) That Kshs.432, 672,378 was allocated to district on the basis of criteria such as workload, revenue collection, operational stations and ongoing projects.

(x)Committee Observations

- (a) The Kenya Institute of Survey and Mapping is in the process of being converted into a Semi Autonomous Government Agency so that it operates efficiently and mostly funded by Government of Kenya and JICA. Further it would attract more funding.
- (b) There are issues raised by the latest report of the Controller and Audit General in the Ministry following under-expenditure and under-collection. The issues have arisen may be as a result of donor funds reflected in the estimates however they may not have been forthcoming.
- (c) The programme of computerization when fully completed require about Kshs.12billion.
- (d) The Ministry requested Kshs.12billion however was allocated Kshs.3billion only. The disparity has arisen from the discretion that treasury has over allocations. The only option left for the Ministry of lands is re-allocation and reprioritize.

**MIN.NO.146/2010: ADJOURNMENT**

There being no other business, the Chair adjourned the meeting at fifty minutes past one O'clock until Friday, June 25, 2010 in Committee Room, on the 5<sup>th</sup> Floor, Continental House at 09.00 a.m.

Signed...Hon. Mutava Musyimi,MP..... Date.....July 7, 2010...  
Chairman

MEETING OF THE THIRTY FIRST SITTING OF THE DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES HELD ON FRIDAY, JUNE 25<sup>TH</sup> 2010 IN COMMITTEE ROOM 5, 5<sup>TH</sup> FLOOR CONTINENTAL HOUSE AT 9.00AM

PRESENT

Hon. Mutava Musyimi, MP - Chairperson  
Hon. Peris Simam, MP - Vice Chairperson  
Hon. Silas Ruteere, MP  
Hon. Martin Ogindo, MP  
Hon. Mohammed Affey, MP  
Hon. Omar Zonga, MP

ABSENT WITH APOLOGY

Hon. Benedict Gunda, MP  
Hon. Benjamin Washiali, MP  
Hon. Njuguna Gitau, MP  
Hon. Kiema Kilonzo, MP

IN ATTENDANCE - NATIONAL ASSEMBLY

Oscar N. Wesonga- Third Clerk Assistant

MINISTRY OF FORESTRY AND WILDLIFE

Hon. (Dr.) Noah Wekesa - Minister  
Hon. Josephat Nanok - Assistant Minister  
Mr. M. A. M. Wa-Mwachai- Permanent Secretary  
Mrs. Kerandi K. Sarah- Chief Finance Officer – MFW  
Mr. Lawrence Mwadime - Director Administration  
Mr. Ben Chikamai - Director KEFRI  
Mrs. Ruth Macharia - Principal Administration Officer KEFRI  
Mr. Mbae N. Muchiri- Chief Research Officer KEFRI  
Mr. Jackson Mulatya- Manager Corporate Affairs KEFRI  
Mr. Edwin Wanynyi - Head – Resource Mobilization – KWS  
Mr. Munira Bashir - Head of Community Enterprises  
Mr. Wesley Isanda - Financial Controller – KWS  
David K. Tonni - Head of Service Quartermaster  
Mr. Eric Deche - Programmes Officer Wildlife Clubs of Kenya  
Mr. Stephen Manene - MoFW  
Mr. Robert Birundu - MoFW  
Mr. Peter Ruto - KFS

MIN.NO.147/2010: INTRODUCTION

The Chairperson called the meeting to order at 9.30 a.m. after prayers were said thereafter read out the agenda items thereafter were adopted by Members present.

- i. Prayers;
- ii. Confirmation of minutes;
- iii. Matter arising;
- iv. Briefing by the Scrutiny of the budget Estimates for Vote 55;
- v. Date of the next meeting
- vi. Any other business

He further welcomed Members and other persons present in the meeting and introduced the Members present and subsequently requested the Minister to introduce the officers accompanying him.

He reminded the Minister of the importance of the scrutiny of the budget by the Committee in regard to the Standing Orders and welcomed all those who accompanied the Minister.

#### MIN.NO.148/2010 : CONFIRMATION OF MINUTES

Confirmations of Minutes of the Twenty First, Twenty Second, Twenty Third, Twenty Fourth, Twenty Fifth, Twenty Sixth, Twenty Seventh, Twenty Eighth, Twenty Ninth and Thirtieth Sittings were postponed to a later date.

#### MIN.NO.149/2010: SCRUTINY OF BUDGET ESTIMATE FOR VOTE 55

The Minister for Forestry and Wildlife informed the Committee that:

- The ministry requested from the Exchequer for Kshs. 14.3 Billion for the 2010/2011 Financial Year of which Kshs. 9.7 billion was for recurrent and Kshs. 4.6 billion for development. However, was allocated a total of Kshs. 5 billion which, is below the requested amount by Kshs. 9.3 billion. The amount given for recurrent expenditure by the Exchequer for the financial year 2010/2011 is Kshs. 3.9 billion. The underfunding for recurrent expenditure stands at Kshs. 5.8 billion.
- The Exchequer support for development expenditure for 2010/2011 FY is Kshs. 1.1 billion against a request of Kshs. 4.6 billion. The Ministry has also received Kshs. 1.8 billion from development partners (World Bank, JICA, Finland, USAID and African Development Bank) in support of the development programmes.
- Last years' allocation the Ministry was Kshs. 5.2 billion of which 98% was absorbed. The last quarter exchequer is yet to be received from treasury for both recurrent and development expenditures.
- The Ministry was able to make the following achievements: -
  - i.) 24,000 hectares of illegally acquired land in the Mau Complex have been reclaimed and rehabilitated
  - ii.) Forest boundary realignment, marking and preparation of title deeds for the various forests has been done
  - iii.) Draft Forest policy is in place as discussed by the Parliamentary Committee on Lands and Natural Resources in Naivasha
  - iv.) Translocation of 345 wildlife was carried out across the country
  - v.) The Amboseli Ecosystem management plan has been completed
  - vi.) Branding of Kisumu Impala, Hells Gate and Ndere island were done
  - vii.) 10km fence constructed at Lake Nakuru National park
  - viii.) Development of forest products from Aloe, Propolis, Payos and Baobab has been completed
  - ix.) Development of social forest policy in arid and semi arid lands
  - x.) 200,000 tree seedlings planted by wildlife Clubs of Kenya
  - xi.) Completion of the Aberdare fence and management plan jointly undertaken with Rhino Ark

- xii.) Establishment of the Conservation Secretariat
  - xiii.) Finalization of Wildlife policy and bill, among others
  - xiv.) Private public partnership for conservation
- The Ministry has a number of autonomous agencies under it. These are: -
    - i.) Wildlife Clubs of Kenya (WCK)
    - ii.) Kenya Forest Service (KFS)
    - iii.) Kenya Wildlife Service (KWS)
    - iv.) Kenya Forestry Research Institute (KEFRI)
  - In its Strategic plan which is aligned to Kenya Vision 2030 and Medium Term Plan 2008 – 2012, the Ministry is targeting to implement the following flagship projects: -
    - i.) Rehabilitation and increased afforestation in five water towers,
    - ii.) Recovery of three wildlife corridors and migratory routes secured from human activity,
    - iii.) Increased proportion and protection of marine areas, and
    - iv.) Control of invasive species both in land and water
  - Forestry supports agriculture, livestock, energy, water Sustainable conservation of forestry and wildlife has a direct overall positive impact on the economy as it results in lots of timber products, low food prices, low energy (electricity and fuel wood) prices, clean and healthy environment, reduced global warming, reduced soil erosion, increased tourism earnings and sites and constant supply of water for drinking and industrial use.
  - The ministry requires adequate funding because: -
    - i. fisheries, urban development, industrial growth and environmental health
    - ii. Degradation of forests impacts negatively on food security, power generation and urban water supplies
    - iii. Tourism relies on wildlife which also relies forests
    - iv. Aquaculture mainly relies on natural water in dams and ponds and the source of the same is forests.
    - v. Carbon credit and climate change heavily relies on forests
  - The Ministry faces the following challenges: -
    - i.) Inadequate funding
    - ii.) Low investments in forestry and wildlife
    - iii.) Human and Livestock Population increase
    - iv.) Human and Wildlife Conflict and Compensation
    - v.) Trans – boundary resources management
    - vi.) Multi – stakeholder involvement
    - vii.) Deforestation
    - viii.) Monitoring resources

#### MIN.NO.150/2010: ADJOURNMENT

There being no other business, the Chair adjourned the meeting at fifty minutes past one O'clock until Tuesday, June 29, 2010 in Committee Room, on the 5<sup>th</sup> Floor, Continental House at 09.00 a.m.

Signed...Hon. Mutava Musyimi,MP..... Date.....July 7, 2010...  
Chairman



MEETING OF THE THIRTY SECOND SITTING OF THE DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES HELD ON TUESDAY, JUNE 29<sup>TH</sup> 2010 IN COMMITTEE ROOM 5, 5<sup>TH</sup> FLOOR CONTINENTAL HOUSE AT 9.00AM

PRESENT

Hon. Mutava Musyimi, MP - Chairperson  
Hon. Peris Simam, MP - Vice Chairperson  
Hon. Silas Ruteere, MP  
Hon. Benjamin Washiali, MP  
Hon. Martin Ogindo, MP  
Hon. Mohammed Affey, MP

ABSENT WITH APOLOGY

Hon. Benedict Gunda, MP  
Hon. Njuguna Gitau, MP  
Hon. Omar Zonga, MP  
Hon. Kiema Kilonzo, MP

IN ATTENDANCE - NATIONAL ASSEMBLY

Rana Tiampati- Clerk Assistant

MINISTRY OF ENVIROMENT AND MINERAL RESOURCES

Hon. Jackson Kiptanui, MP - Assistant Minister  
Mr. Paul Olando, EBS - Ag. Permanent Secretary  
Mr. P. I. Kinya - Ag. Chief Finance Officer  
Mr. Jasphat Agatsiva - Director, DRSRS  
Dr. Joseph Mukabana - Director, KMDI  
Mr. C. O. Oyaró - Principal Accoiunts Controller  
Mr. Benard Okari - Ag. Deputy Chief Fnanace officer  
Mrs. Carole W. Mugwe - Ag. DDHRM  
Dr. Benard Rop - Commissioner of Mines and Geology  
Mr. M. Mutua - Finance Officer  
Mr. E. K. Kirui - Finance officer  
Mr. James Kongoti - Deputy Director – Met services, KMD  
Mr. Chito Njeria - Head of Finance, KMD

MIN.NO.151/2010: INTRODUCTION

The Chairperson called the meeting to order at 9.30 a.m. after prayers were said thereafter read out the agenda items thereafter were adopted by Members present.

- i. Prayers;
- ii. Confirmation of minutes;
- iii. Matter arising;
- iv. Briefing by the Scrutiny of the budget Estimates for Vote 21;
- v. Date of the next meeting
- vi. Any other business

He further welcomed Members and other persons present in the meeting and introduced the Members present and subsequently requested the Minister to introduce the officers accompanying him.

## MIN.NO.152/2010 : CONFIRMATION OF MINUTES

Confirmations of Minutes of the Twenty First, Twenty Second, Twenty Third, Twenty Fourth, Twenty Fifth, Twenty Sixth, Twenty Seventh, Twenty Eighth, Twenty Ninth, Thirtieth and thirty first Sitzings were postponed to a later date.

## MIN.NO.153/2010: SCRUTINY OF BUDGET ESTIMATE FOR VOTE 21

(a) Paper laid

The minister for Environment and Mineral Resources laid before the Committee a statement for note 21 of Ministry for Environment and Mineral resources for the Financial Year 2010/ 2011.

(b) He briefed the Committee on the following:

The ministry has been facing the following challenges:-

- catchment protection;
- liquid, solid and air pollution and poor waste management;
- weak collaboration with other Ministries and stakeholders in environment management;
- climate change and desertification leading to landslides, floods, tremors and earthquakes and depletion of ozone layer;
- inadequacy in mineral policy and legal framework;
- lack of benefits sharing framework from mineral s and gemstones with the community;
- land degradation and pollution caused by mining operations;
- low investment in mining and mineral development
- inadequate funding for mines and geological department for data collection and mineral exploration;
- modernization to gradually replace old aircraft for the department of resource survey and remote sensing for carrying out mapping and surveys;
- Inadequate modern equipment for Kenya Meteorological Department for Monitoring Weather patterns.

(c) Measures in place to deal with the challenges:

- (i) NEMA is working closely with stakeholders on air pollution, polythene and plastics waste and suspected dumping of toxic waste materials;
- (ii) NEMA is addressing issues of concern by enhancing and elaboration of land use regulations, guidelines and standards.
- (iii) District Development Committees are involved in the formulation of district environment Action plans.
- (iv) Embracing the spirit of public private partnership (PPP) on Environmental Management and conservation.
- (v) Current Mining Act has been reviewed and at Cabinet level.
- (vi) Ministry is collaborating closely with the Kenya chamber of mines to ensure stakeholders participation on the Mineral Sector Activities.
- (vii) Mines and Geology Department has been conducting assessment on potential areas prone to landslides.
- (viii) Department of Geology and Mines has put in place a Geological Hazard mapping programme that will identify landslide potential, amongst other geological hazards.
- (ix) Installation of automatic weather stations which provide data on weather patterns and ensure accurate data on forecasting for Agriculture. Among others by Kenya Meteorological Department.

- (x) Department of Resource Surveys and Remote Sensing continue to survey and provide information on crop forecasting and wildlife/livestock census.
- (d) Budgetary allocation for the Financial Year 2010/11
- (i) The Ministry net request is Kshs.5,522,551,643 out of which Kshs.2,259,716,110 is recurrent and Kshs.3,262,835,533 is development.
- (ii) In the Financial Year 2009/10, the Ministry received Kshs.3,694,678,322 in which Kshs.2,114,378,320 funded recurrent and Kshs.1,580,300,002 supported development respectively in Financial Year 2010/11.
- (iii) On going projects/programmes (in the last Financial Year 2009/10) that needed emphasis this year are:
- a. Restoration and Rehabilitation of Nairobi River;
  - b. Water Catchment Initiative;
  - c. Improvement of meteorological services and weather modification for rainfall enhancement over water sparse areas.
- (iv) Key areas/projects that were left out of estimates in the Financial Year 2010/11
- e. Integrated meteorological information system (IMIS) at a cost of Kshs.170million.
  - f. Weather modification programme which involves rainfall enhancement, hailstorm supervision at a cost of Kshs.470million.
  - g. Acquisition of drilling rig estimated at a cost of Kshs.150million.
  - h. Staffing and operation of NEMA estimated at a cost of Kshs.722million
- (v) Programmes and Activities which are funded in the Financial Year 2010/11 .
- a.) **Environment Policy development and Regulation.** The programme was allocated Kshs.3, 624,705,299; there was an increase from the last financial year of Kshs.1, 980,526,562 which is earmarked for water Catchment Management Initiative and Implementation of the National Climate Change Response Strategy launched in April 2010. Projects under the programme include:
- Nairobi River Restoration and Rehabilitation.
  - Natural Environment Management
  - Environmental Education and Awareness
  - Water catchment protection and conservation LVEMP II
  - Resource surveys and remote sensing.
- b.) **Mineral Resources Management** - This programme was allocated Kshs.275, 085,246 in the Financial Year 2010/11. Achievements under the programme in 2009/10 Financial Year:
- i. Generation revenue and A-I-A amounting to Kshs.36million
  - ii. Completion of construction of mines and geology department office block in Garissa and Wundanyi at a cost of Kshs.8million.
  - iii. Ministry responded to Geohazards occurrences and mapped 5 Geohazards prone zones.
  - iv. Undertook Mineral assessment of 4 mineral occurrences in Mbooni East, Machakos, Kibwezi, Kajiado, Meru and Garissa Districts.
  - v. Carried out regional geological mapping and mineral exploitation and covered 850 km<sup>2</sup> in kimangau area in Mwingi District and Kimilili are in Bungoma District.
  - vi. Provided support to private sector in mineral resource development by providing drilling and professional services.
  - vii. Procured four field vehicles for mines and Geology department.
  - viii. Indicated 25 new geotechnical officers in the field of geological mapping and mineral exploitation techniques.
  - ix. Promoted investment opportunities in mining industry



- (c) **Meteorological Services and Climate Change** - The programme received Kshs.1, 196,385,570. Achievements under the programme in the Financial Year 2009/10:
- i. Provision of 24 hour, 4 day, 7 day, monthly and 3 months forecast for various sectors.
  - ii. El-Nino Command Post that provided information for the “short rains” season, which witnessed enhanced rainfall over Kenya.
  - iii. Infrastructure of floor watch forecast during the long rain.
  - iv. Established the Ranet FM Radio Station in Budalangi for dissemination of weather information in local languages to rural vulnerable communities.
  - v. Development of the National Climate changes Response Strategy.
- (d) **NEMA**  
In the Financial 2010/11, its recurrent allocation is Kshs.544, 577,507.
- (e) **District Allocations**  
The Ministry has 11 and 45 outstations for the department of Mines and Geology and Kenya Meteorological Departments respectively and a total of Kshs.100, 947,105 was allocated.
- (f) **Donor Funds**  
The Minister informed the Committee that a number of development partners have contributed in funding environment programmes; they include World Bank, UNEP, UNDP, DANIDA, JAPAN and SIDA. This Financial Year, 2010/2011, they have committed to support of Kshs.1, 167,159,777.

#### COMMITTEE OBSERVATIONS/COMMENTS

- i. Measure in place to increase under-expenditure and under-collection of A-I-A;
- ii. Measure to increased absorption capacity;
- iii. Increased in foreign travels.
- iv. The accounts of NEMA are audited and are up to date.
- v. Under head 442, reduction in plant and machinery allocation for KMD
- vi. Strategic Interventions by Ministry in the Mau Restoration.
- vii. The amount of pending Bills as at June 2010.

#### MIN.NO.154/2010: ADJOURNMENT

There being no other business, the chair adjourned the meeting at Twelve noon until Wednesday, June 30, 2010 in Committee Room, 5<sup>th</sup> Floor, Continental House at 10.00 a.m.

Signed...Hon. Mutava Musyimi,MP..... Date.....July 7, 2010...  
Chairman

MEETING OF THE THIRTY THIRD SITTING OF THE DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES HELD ON WEDNESDAY, JUNE 30, 2010 IN COMMITTEE ROOM 5, 5<sup>TH</sup> FLOOR CONTINENTAL HOUSE AT 10.30A.M.

PRESENT

Hon. Mutava Musyimi, MP - Chairperson  
Hon. Peris Simam, MP - Vice Chairperson  
Hon. Silas Ruteere, MP  
Hon. Benjamin Washiali, MP  
Hon. Martin Ogindo, MP  
Hon. Mohammed Affey, MP

ABSENT WITH APOLOGY

Hon. Benedict Gunda, MP  
Hon. Njuguna Gitau, MP  
Hon. Omar Zonga, MP  
Hon. Kiema Kilonzo, MP

IN ATTENDANCE - NATIONAL ASSEMBLY

Rana Tiampati- Clerk Assistant

MINISTRY OF WATER AND IRRIGATION

Hon. Charity K. Ngilu, EGH, MP - Minister  
Hon. Mwangi Kiunjuri, MP - Assistant Minister  
Eng. David Stower, CBS - Permanent Secretary  
Mrs. Melisa Musoma - Chief Finance Officer  
Eng. Lawrence Simitu - Director, Water Services  
Eng. John Nyaoro - Director Water resources  
Mr. Peter Musuva - Economist, MWI  
Mr. Onderi Ontweka - Deputy Director, MOF  
Eng. Daniel Barasa - General Manager, NIB  
Mr. Njoroge F. K - Deputy General Manger, NIB  
Mr. Samuel Gitau - Ag, Finance Mnager, NIB  
Mr. Joseph Mumo - Finance officier  
Eng. Petronilla Ogut - Ag. Managing director, NWCPC  
Mrs. Rose nyaga - Ag. CEO, ATHI WSB  
Eng.M. K. Musau - Director, KEWI

MIN.NO.155/2010: INTRODUCTION

The Chairperson called the meeting to order at 10.30 a.m. after prayers were said thereafter read out the agenda items thereafter were adopted by Members present.

- i. Prayers;
- ii. Confirmation of minutes;
- iii. Matter arising;
- iv. Briefing by the Scrutiny of the budget Estimates for Vote 20;
- v. Date of the next meeting
- vi. Any other business

He further welcomed Members and other persons present in the meeting and introduced the Members present and subsequently requested the Minister to introduce the officers accompanying him.

#### MIN.NO.156/2010 : CONFIRMATION OF MINUTES

Confirmations of Minutes of the Twenty First, Twenty Second, Twenty Third, Twenty Fourth, Twenty Fifth, Twenty Sixth, Twenty Seventh, Twenty Eighth, Twenty Ninth, Thirtieth, thirty first and Thirty Second Sittings were postponed to a later date.

#### MIN.NO.157/2010: SCRUTINY OF BUDGET ESTIMATE FOR VOTE 20

##### (a) Papers Laid

The Minister for Water and Irrigation laid before the Committee a statement on the examination of 2010/2011 Budget Estimates for Vote 20.

##### (b) The Minister informed the Committee that:-

- (i) There is an increase investment in water storage and irrigation development necessitated by reduction in dependence on rain fed agriculture.
- (ii) In the last Financial Year 2009/2010, the Ministry has provided access to drinking water to an additional 2.47million people consisting of 1.3million people in rural areas and 1.07million in urban areas through rehabilitation and expansion of urban and 128 boreholes and construction of 112 water pans and dams.
- (iii) Under irrigation, 6500 ha were put under irrigation which produced 185,000 bags of maize and 865,000 bags of rice.
- (iv) The challenges include:
  - Lack of irrigation and Drainage Policy;
  - Declining water resources due to catchment degradation
  - Increased pollution of eater sources
  - High operation and maintenance cost for water services
  - Lack of investment in water storage
- (v) The constraints in implementing sector programmes:
  - Late exchequer releases
  - Long process of implementation of projects under donor funding
  - High cost of EIA licenses
  - Encroachment of public land
  - Low funding and inadequate capacity
- (vi) The Ministry made a total net request for exchequer includes – Kshs.23, 882.7million which consist of kshs.12, 016.2million for Development and Kshs.8, 086.6million for Recurrent Expenditure. Development partners have pledged Kshs.20, 513.5million for Development purposes.
- (vii) The Ministry have allocated Kshs.3.092million to new projects in the Financial Year 2010/11 and they are funded by various development Partners. The projects – Othaya, Mukurweini, Maua, Siaya, Bondo, Kitui-Masinga, Kiplombe, Nyahururu – Isiolo, Umanyi – Mutito, Tigania, Nakoyoncho water supplies respectively and Yatta dam.
- (viii) There are ongoing projects and programmes that required funding to ensure they do not stall and include:
  - Servicing of contracts of ongoing dams which required Kshs.4.640million but have been allocated Kshs.2.280million.

- Construction of 5 No. new dams – which required kshs.13.500million and allocated Kshs.200million in Financial years 2010/11
- Irrigation development – required kshs.720million but allocated Kshs.310million
- Dam construction equipment which required Kshs.2billion
- Procurement of water houses and tanks which required Kshs.490million

(ix) The proposed allocations under each programme in the Ministry were as follows:

PROGRAMME	REQUESTED 2010/11 – MILLION	ALLOCATIONS MILLION
Water Policy and Management	Kshs.569	Kshs.569
Water Supply/Sewerage and Sanitation	Kshs.31,445	Kshs.23,192
Water Resource Management and Storage	Kshs.11,356	Kshs.5,590
Provision of Irrigation and Drainage Infrastructure	Kshs.8,079	Kshs.3,178
Total	Kshs.51,499	Kshs.32,529

(x) The 13 state corporations/SAGA under the Ministry receive a total of Kshs.25,927,607,000.

The Committee made the following comments/observations:-

- The projects though under various water services board should reflect a fair distribution in the country and especially water supply and sewerage/sanitation should target the small towns.
- The preparation of the Ministry budget should involve all stakeholders way before the Budget speech is read in Parliament.
- The Ministry has no pending bills in the last financial year except when there was drought mitigation and they are being addressed before the closure of the year on June 30, 2010. However, the NWCP has a pending bill of Kshs.549million arising out of the Fire incident that gutted all records in September 2009. This led to many suppliers making fraudulent claims and therefore being subjected into foresaid audit to ascertain their authenticity.
- The Nile Basin initiative talks and discussion should be well monitored and funded to take into account any issues that may affect Kenyan interest following the negotiations by countries in the Nile Basin on the CFA – cooperative framework agreement.
- The Ministry has addressed all outstanding audit queries arising from the latest report of Controller and Auditor General. The issues were on installation of lifts at the Ministry Headquarters and the state of Assets and liabilities.
- There is need for the Ministry to allocate some funds to the sustenance or maintenance of high costing projects to ensure they do not collapse and incur more cost later.
- Delay in provision of funds to ongoing projects/programmes causes loss to government and leads to such projects taking longer time.
- There appears a double allocation under head 893 on membership fees and International Organization Subscriptions.

MIN.NO.157/2010: ANY OTHER BUSINESS

The Committee resolved to postpone a meeting schedule for Thursday, July 01, 2010 in Committee Room, 5<sup>th</sup> Floor, Continental House at 10.00 a.m. to Tuesday, July 06, 2010 at 9.00 a.m

MIN.NO.158/2010: ADJOURNMENT

There being no other business, the chair adjourned the meeting at forty minutes past two O'clock until Tuesday, July 06, 2010 in Committee Room, 5<sup>th</sup> Floor, Continental House at 09.00 a.m.

Signed...Hon. Mutava Musyimi,MP..... Date.....July 7, 2010...  
Chairman



MEETING OF THE THIRTY FOURTH SITTING OF THE DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES HELD ON WEDNESDAY, JULY 7, 2010 IN COMMITTEE ROOM 5, 5<sup>TH</sup> FLOOR CONTINENTAL HOUSE AT 09.30A.M.

PRESENT

Hon. Mutava Musyimi, MP - Chairperson  
Hon. Silas Ruteere, MP  
Hon. Benedict Gunda, MP  
Hon. Benjamin Washiali, MP  
Hon. Martin Ogindo, MP  
Hon. Mohammed Affey, MP  
Hon. Kiema Kilonzo, MP

ABSENT WITH APOLOGY

Hon. Peris Simam, MP - Vice Chairperson  
Hon. Njuguna Gitau, MP  
Hon. Omar Zonga, MP

IN ATTENDANCE - NATIONAL ASSEMBLY

Rana Tiampati- Clerk Assistant

MIN.NO.159/2010: INTRODUCTION

The Chairperson called the meeting to order at 10.30 a.m. after prayers were said thereafter read out the agenda items thereafter were adopted by Members present.

- i. Prayers;
- ii. Confirmation of minutes;
- iii. Matter arising;
- iv. Consideration of submissions, adoption of the report;
- v. Date of the next meeting
- vi. Any other business

MIN.NO.160/2010 : CONFIRMATION OF MINUTES

Minutes of the Twenty First, Twenty Second, Twenty Third, Twenty Fourth, Twenty Fifth, Twenty Sixth, Twenty Seventh, Twenty Eighth, Twenty Ninth, Thirtieth, Thirty first Thirty Second, Thirty third and Thirty Fourth Sittings were confirmed as true records of the Committee deliberations.

MIN.NO.161/2010: CONSIDERATION OF SUBMISSIONS, ADOPTION OF THE REPORT;

The Committee considered and deliberated on the draft report and made comments and recommendations as follows, that based on the submission, presentations and evidence adduced, the Committee makes the following recommendations, that: -

Ministry of Water and Irrigation - vote 20

- a) The Ministry should expedite the investigation into the huge amount of pending bills at the National Water Conservation and Pipeline Corporation totaling Kshs. 549 million and subject them into forensic audit;

Ministry should allocate funds to the Sustenance of water infrastructure, beside  
al revenue used to maintain them in its programmes;  
Ministry should allocate funds to the National Water Conservation and Pipeline  
ration to alleviate the loss of Appropriation-In-Aid set to decrease because the  
ration does not run water supply facilities.  
Ministry should set the criteria for selection of districts in resource allocation;  
The Ministry needs to address the issue of water access and shortage in major urban  
centres so as to reduce the dominance by water vendors who supply water whose  
quality is not guaranteed.

#### Ministry of Environment and Mineral Resources – vote 21

- a) The Ministry should maximize on the opportunities presented by the global carbon trades or carbon trading under the Climate change negotiations;
- b) The Committee recommends that the Minister undertake a speedy review of the Mining Act to enable the Department collect sufficient A-I-A; and
- c) The Ministry should expedite the implementation of all conventions signed by the Government under Multilateral Environment Agreements -MEA

#### Ministry of Lands- vote 36

- a) The Ministry should be allowed to retain part of revenue it collects annually to be able to implement projects/programmes left in this year financial estimates ;
- b) The Ministry should be empowered through adequate resources allocations to able to undertake the process of land adjudication and registration in the country to enable people to assert their right over land.

#### Ministry of Forestry and Wildlife – Vote 55

- a) The Government, through the Cabinet, should issue a lifting of the ban on logging in order to generate additional revenue for Kenya Forest Service. As at now a total of 39,000 Ha is ready for harvesting including over-mature plantations (27,300 Ha) and mature plantations (11,700 Ha) all valued at Kshs 39.9 Billion; If not harvested, this wood will rot and go to waste.
- b) The Ministry should maximize the opportunities presented by the global carbon credit under the Convention of Biodiversity and Climate change. The carbon credit should be able to give more funding that would assist us in adaptation and mitigating effects of climate change and be able to provide financial resources for forestry development of this country;

#### The absorption capacity

- a.) The absorption capacity of the above Ministries and government department has been affected by delays in exchequer and delay in donor releases. The Committee therefore recommends that the Ministry of Finance expedite exchequer releases to Ministries and department to enable completion of approved programmes.

And from the above,



The Committee is agreeable to the proposals by the Ministers for Water and Irrigation, Environment and Mineral Resources, Land, Forestry and Wildlife and recommends that a sum not exceeding: -

1. Kshs. 3, 779, 939, 100 be allocated to the Ministry of Water and Irrigation – Vote 20 for Recurrent expenditure and Kshs. 20, 102, 793, 800 for Development expenditure, proposed in the Heads under Vote 20 that the Ministry be allowed to raise Appropriation In Aid amounting to Kshs. 1, 889, 459, 596 for Recurrent expenditure and Kshs. 12, 426, 873, 277 from Development partners, to finance its operations;
2. Kshs. 2, 259, 716, 000 be allocated to the Ministry of Environment and Mineral Resources – vote 21 for Recurrent and Kshs. 4, 199, 462, 810 for Development expenditure, proposed in the Heads under Vote 21 and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 368, 232, 500 to finance its operations;
3. Kshs. 1, 675, 420, 300 be allocated to the Ministry of Land – Vote 36 - for Recurrent and Kshs. 2, 276, 037, 400 for Development expenditure proposed in the Heads under Vote 36; and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 608, 508, 160 to finance its operations;
4. Kshs. 3, 937, 788, 000 be allocated to the Ministry of Forestry and Wildlife – Vote 55 - for Recurrent and Kshs. 1, 983, 955, 000 for Development expenditure, proposed in the Heads under Vote 55, and that the Ministry be allowed to raise Appropriation-in-Aid amounting to Kshs. 1, 747, 220, 000 to finance its operations;

The Committee adopted the report unanimously,

MIN.NO.162/2010: ADJOURNMENT

There being no other business, the chair adjourned the meeting at forty minutes past twenty O'clock until Thursday, July 08, 2010 in Committee Room, 5<sup>th</sup> Floor, Continental House at 09.30 a.m.

Signed...Hon. Mutava Musyimi,MP..... Date.....July 7, 2010...  
Chairman

