

SOME BUDGET ITEMS THAT ARE JUST AS IMPORTANT AS THE MP'S ALLOWANCES BUT WHICH MINISTER KIMUNYA NEVER MENTIONED IN HIS THREE HOUR BUDGET DAY SPEECH:

Our MPs should accept that their allowances are going to be taxed. More Kenyans of goodwill and means have accepted that they too will be similarly taxed so that we as a country start to take care of the poorest of the poor, and avert a return to the chaos and destruction of the first quarter of this year when mass youth unemployment exploded the myth of Kenya's stability.

However, the Government of Kenya must also play its part and tighten its belt. It must slash the waste in the National Budget which runs into the hundreds of billions of shillings. For example: the billions spent on 'hospitality'; 'utilities'; 'printing'; 'foreign travel'; 'fuel and lubricants'; 'rent' ; Ken Ren Fertiliser; Jasiri Mombasa; Project Nexus and other things that never merited even a sentence in the Minister of Finance's 3 hour budget speech.

Compare the figures in the following budget lines to the allocations for development in the National Budget:

Hospitality – Two Billion plus: Billions of shillings are spent each year on hospitality. Last year the GOK budget for entertainment of its guests amounted to Ksh 5.7 million per day for every day of the year. The total bill was Ksh 2.16 billion for the year 2007. Does anyone recall Amos Kimunya mentioning in his budget speech that this year he wants to increase the Ministry of Finance's Hospitality Budget from just under Ksh 500,000 per day to Ksh 728,000 per day?

Utilities – Two Billion plus: Water and Electricity to you and me. Every year this budget item leads to haywire budgeting in which the official residence of the President (State House) is given almost as much money as the Ministry of Education, and has a higher water and power budget than 26 whole Ministries including Parliament itself, the Judiciary, the Ministry of Roads and Public Works etc... (it would take too long to go through 26 ministries). Even where there are water and power bills to be paid, the large amount we provide does not seem enough. Did Minister Kimunya mention that last year the Ministry of Water was given parliamentary approval to spend Ksh 661,000 every day of the year, but that millions of water service board consumers went without treated water because of unpaid electricity bills, or that hospitals were cut off from water supply? Surely, there must be one Member of Parliament to speak for Kenyans.

Rent – Three Billion plus: MPs should be concerned that GOK spends Ksh 3.995 billion on rents per annum and only receives Ksh 239.368 million per year from property income and rent. The Kenyatta International Conference Centre accounts for Ksh 210 million of the income received from buildings by GOK.

Printing – Two Billion plus: The Government Printer is a full fledged department within the Office of the President that prints all important government documents including all Bills and Acts of Parliament; and the National Budget itself. It maintains a bookstore on Haile Selassie Avenue which sells the Kenya Gazette newspaper and other materials as any other bookstore would – except it has a monopoly. Last year it was expected to earn the Government a grand total of one hundred thousand eight hundred and eighteen shillings in revenue. In a whole calendar year! Even though the Government has its own printer, last year the Government managed to spend Ksh 6.2 million per day on commercial printing of its documents – the total budget was over 2.2 billion shillings. Public procurement related to printing is notoriously corrupt and one would expect MPs to spend some quality time looking at the printing budget of the GOK this coming week.

Foreign Travel - Two Billion plus: Kenyans frequently bemoan the globe-trotting habits of their elected officials but sometimes they forget to look at the international visits of our civil servants. Last year, the Government of Kenya spent over Ksh 6.7 million per day every day of the year on foreign travel. Of course Government doesn't stop, but it was shocking nevertheless to learn that even during the height of the post-election crisis, high level delegations of civil servants were still attending international conventions as if nothing was going on in Kenya. Already overburdened taxpayers who assume that there is no way that this budget could still be as large as last year, are preparing for disappointment unless MPs vote the proposal by Minister Kimunya down next week.

Purchase of Cars – Two Billion plus: Did you know that State House Nairobi has 149 cars? Did you know that this year Minister of Finance wants to buy Ksh 73 million more worth of cars for State House? Did you know that last year a similar amount of money was spent on cars at State House? Did you know that the Government budget for cars for 2008 has gone up by 1 billion shillings, even as public attention is consumed by the debate on MP's allowances? Unless MPs debate the budget this week, Minister Kimunya is likely to get approval to spend at least 50% of his Ksh 2.6 billion motor vehicle purchase budget and we will never know why he needs so many cars. The Ministry of Internal Security alone wants to spend Ksh 1.6 billion on buying cars. Last year Parliament did not debate the Internal Security budget, and passed unscrutinised another 1 billion shillings for this Ministry. It is time that MPs insisted on accountability for the massive amounts of money that the Government spends on buying cars. On paper there are 10,395 cars owned by the Government of Kenya. Since Minister Kimunya never mentioned any of these vehicular facts, perhaps MPs could insist that he explains this budget to them. They might even ask to inspect some of the cars.

Lump sum budgets – Forty Seven Billion plus: Every year the Minister of Finance presents lump sum budgets for the National Security Intelligence Services, the Armed Forces and the Kenya Anti Corruption Commission. This year their collective budgets will pass the Ksh 47 billion mark – and yet there will be no debate on the budget items in them because the Minister of Finance has helpfully provided none. MPs need to assert themselves. Intelligence agencies, militaries around the world, and anti-corruption commissions do not present single line item budgets to many parliaments around the world anymore. Here's a question for the MPs: why would the official agency responsible for promoting transparency and accountability in Government not be accountable to Parliament for every single shilling in its budget?

KEN REN FERTILISER FACTORY – Four Billion plus: Kenya faces a massive fertilizer importation bill even as the Minister of Finance on June 12th asked Parliament to approve the payment of hundreds of millions to foreign banks for a fertilizer factory that does not exist. The Fertiliser debt is dubious because Kenya does not have a fertiliser factory, even though there was a still-born project in the 1970s to build one near the Mombasa Oil Refinery to leverage on the oil refinery's waste products which can be used for fertilizer production. A massive financial scandal ensued and the factory was never built. Today, Kenya is in the midst of a fertilizer price and supply crisis that threatens to diminish food production, at the worst possible time for the country. Yet the Minister of Finance intends to pay an Austrian Bank called BAWAG, and a Belgian Bank called DuCroire, over Ksh 900 million this year for the never-built fertilizer factory. This fact wasn't mentioned in the budget speech, although the Minister indicated that he wanted to use public funds to get fertilizer to farmers and was apparently "in consultation with Uganda and Tanzania on setting up a regional fertilizer factory to ensure long-term sustainable supplies." What is going on at the Treasury? Why does the Government keep making annual repayments of hundreds of millions of shillings for a fertilizer factory that we do not have, and apparently will never get? Parliament must end this long-running scandal and call the Finance Ministry, the Agriculture Ministry and the Attorney General to account on how this obligation came into being.

The Austrian and Belgian banks involved should be put on notice that Kenya's Parliament will not authorize any further payments from the Consolidated Fund on bogus debts.

NAVY SHIP – Four Billion plus: Did you know that the Minister of Finance has asked Parliament to authorize the payment of a staggering Ksh 4.94 billion this year to 3 foreign companies for a controversial Navy Ship? Did you know that the Controller and Auditor General told Parliament in 2006, that this deal was illegal and had breached the External Loans Act which requires parliamentary approval for all foreign debt? Did you know that the ship which the Minister of Finance wants to use tax money to pay for does not have weapons on board, and its equipment's warranty has lapsed? Did you know that all these issues have not been properly investigated to date? Did you know that Ksh 4.94 billion is more than the entire budget of the Ministry of Water?

Do you believe that Members of Parliament should approve the Minister of Finance's request to spend taxpayers' money this way?

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