

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 8th November, 2006

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

Mr. Deputy Speaker: Hon. Members, before we move on to the Question by Private Notice, I have a request by the Assistant Minister for Roads and Public Works that we bring forward Question No.569 owing to some urgent engagements.

Is Prof. Anyang'-Nyong'o here?

Hon. Members: He is not here!

Mr. Deputy Speaker: It is a bit early to drop the Question. I will defer it because I would not like to penalise him. Maybe he is not very late.

Eng. Toro, you are free to leave. The Question is deferred to next week.

ORAL ANSWER TO QUESTION

Question No.569

GRAVELLING OF MASENO-KOMBWEA ROAD

(Question deferred)

QUESTION BY PRIVATE NOTICE

LEGALITY OF COLLABORATION
BETWEEN RIBM AND MAKERERE UNIVERSITY

Mr. Mwandawiro: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Education the following Question by Private Notice.

(a) Is the Minister aware that the Regional Institute of Business Management located at Pioneer House, Nairobi City Centre, has been offering Makerere University degree programmes at the University's Nairobi Campus located at Moi Avenue, Nairobi?

(b) Is the said institute authorised to operate on behalf of or in collaboration with Makerere University in the country?

(c) Could the Minister confirm whether or not the degree programmes being offered by the institute are genuine?

The Assistant Minister for Education (Dr. Mwiria): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that the Regional Institute of Business Management (RIBM) located at Pioneer House, Nairobi City Centre has been purporting to offer Makerere University degree

programmes at the University's Nairobi Campus located at Moi Avenue, Nairobi.

(b) The RIBM is not authorised to operate on behalf of or in collaboration with Makerere University.

(c) The degrees offered by the RIBM are not genuine since it has not been inspected by the Commission for Higher Education (CHE) to ascertain its capacity in terms of its human capital and other resources necessary to support degree programmes. Essentially, it is an illegal institution in terms of degree granting.

Mr. Mwandawiro: Mr. Deputy Speaker, Sir, the reason I asked this Question is because many Kenyans have been lured to enrol for these fake degree programmes. They end up paying a lot of money for these studies. A lot of money has been paid to this institute, which is conning Kenyans that they are offering degree programmes, purportedly, in collaboration with Makerere University. Unfortunately, this is not the case. When did the Ministry of Education discover that the RIBM is offering fake degree programmes? What action has the Ministry taken to solve this issue?

Dr. Mwiria: Mr. Deputy Speaker, Sir, at the beginning of this year, members of the public complained about this institution. They wanted to know a little bit about the quality of the programmes they have been offering. As a result, the CHE inspected the institution. In May, 2006, the CHE issued a press release warning the public against continuing to enrol students in this institution. After that, the institution went to court to ask that they be allowed to continue offering degree programmes. The court did not rule in their favour. The CHE has gone to court and is awaiting a court ruling to the extent that, that institution should be closed.

Prof. Oniang'o: Mr. Deputy Speaker, Sir, we have many such cases where Kenyans get duped into such institutions, only to be turned down at the end of the day. The lives of these children are actually being affected. It does not make sense for the Assistant Minister to tell us that these degree programmes are fake, and that the matter has been taken to court. What action is the Ministry taking to ensure that such programmes are stopped from continuing when such a case arises?

Dr. Mwiria: Mr. Deputy Speaker, Sir, education is like a public good; it is readily available in the market. That is why we have a lot of sub-standard institutions where parents take their children for higher education. The only thing we can do as a Government is to warn the public against institutions that are not of good quality. There is also the website that is more interactive and is offering information to the public. However, there is a lot of information being given by the CHE, warning parents on these institutions. It is also up to the parents to ascertain that the institutions they send their children to are of some quality. Unfortunately, there is not much by way of information for many parents. However, we hope that, in due course, we will have a better clearing house; a better public relations department. This department will warn parents of the potential dangers of people who want to take advantage of them. There are many desperate and innocent parents who are not aware of the games that a lot of people who want to make a quick buck are playing, both for the universities and secondary schools.

Mr. Deputy Speaker: Dr. Mwiria, are you saying that the law does not empower the Ministry to take action against people who start such institutions? Last year, there was an institution which offered degrees and on the graduation day, the Ministry said that the degrees were not valid. Why would the Ministry go to the extent of allowing such graduation ceremonies? Does the Ministry not have the power and the law to prosecute, if necessary, those involved in cases like this one? This is a very serious matter.

Dr. Mwiria: Mr. Deputy Speaker, Sir, I agree absolutely that this is a very serious matter. We should have authority and powers to close down such institutions. Unfortunately, there are certain contradictions in our law as it is. Many of these institutions initially register with specific

Ministries before they start. Upon registration it offers one or two courses. But afterwards it expands beyond its mandate. It is at that point when such institutions offer degree programmes that the Commission for Higher Education will inspect them to see if they can offer degree courses or not. It is at that point when we inform the public that these institutions are not allowed to offer degree programmes. This institution went to court after we stopped its operation. It was registered by a different Ministry. Our mandate is, therefore, only in relation to university institutions.

Let me also say that we will harmonise registration of such institutions through an amendment to the Education Act. This will ensure that it will not be possible for different Ministries, other than the Ministry of Education, to register institutions. This practice has put the Commission for Higher Education in a difficult position of inspecting institutions that have already been registered by other Ministries.

Mr. Chepkitony: Mr. Deputy Speaker, Sir, it is not only universities which are mushrooming and offering degree courses which are not genuine. We have so many other institutions and colleges offering certificate and diploma courses that are not recognised. Why should the Ministry not have a system of accrediting these institutions before they open? The Ministry should also publish names of such institutions in newspapers and on the website, so that students can find out whether these institutions are recognised by the Government or not.

Dr. Mwiria: Mr. Deputy Speaker, Sir, we have the Commission for Higher Education that registers institutions that are legitimate to offer degree programmes. I have also said that we have published this information on our website which many of us cannot access, but it is available. I do agree with the point made by the hon. Member that we should have a system of stopping bogus institutions from operating. This is why we are harmonising our laws through a review of the Education Act to ensure that different Ministries do not register institutions and place the Commission for Higher Education in a difficult position of inspecting them later on. So, with the review of the Education Act, certainly registration of post secondary institutions will be harmonised.

Mr. Too: Mr. Deputy Speaker, Sir, this Assistant Minister is taking us round and round. The fact is that this institution is operating illegally. Why should it not be closed down? It could even be a police case!

Mr. Deputy Speaker: Mr. Assistant Minister, that is the former Director of the Criminal Investigations Department asking you that! Why do you not prosecute this institution?

Dr. Mwiria: Mr. Deputy Speaker, Sir, that is quite surprising, because many of these institutions were registered during his term as the Director of the Criminal Investigations Department. But I would like to say that this matter is in court. The institution has taken us to court for closing it. We are waiting for a court decision. I think, being the former Director of the Criminal Investigations Department, the hon. Member knows that we have to follow the law. Unfortunately, our hands are tied by it.

Mr. Mwandawiro: Mr. Deputy Speaker, Sir, it has already been established by the Assistant Minister that the Regional Institute of Business Management has conned Kenyans by offering them degree programmes that are not recognised by the Government. It has, in fact, committed a crime by doing so. The Government should not watch helplessly but should assist helpless Kenyans who have been conned of their money. Where should affected Kenyans go if the Government cannot do anything about this issue? So, what will the Ministry of Education do to ensure that innocent Kenyans who have invested their money into degree programmes that are not recognised recover it?

Dr. Mwiria: Mr. Deputy Speaker, Sir, let me again repeat that we have issued several Press releases asking Kenyans not to register their children for such university programmes. But some of them continued to do that. I would like to say that once this case is determined in court, obviously

we shall take whatever action we will deem necessary against the proprietors of this institution. As of now, I would like to urge Kenyans not to register their students at this institution.

Mr. Deputy Speaker: Next question, the hon. Member for Makadara.

ORAL ANSWERS TO QUESTIONS

Question No.565

INCREASE OF RENT FOR NCC HOUSES IN EASTLANDS

Mr. Ndolo asked the Minister for Local Government:-

- (a) what criteria was used to increase rent for City Council houses in estates within Eastlands; and,
- (b) when the houses were last rehabilitated.

The Assistant Minister for Local Government (Mr. Shaaban): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The criteria used to increase City Council house rents are as follows. There was survey and comparison of house rents of similar houses in the City with market rates. Market surveys indicated that City Council rates were reasonably below the market rates. A two-bedroomed council house in Jericho or Lumumba in Makadara Constituency was previously at Kshs900 per month. After the increment it is now at Kshs1,260 per month, while a similar house in the private sector in the neighbourhood is at Kshs3,000 per month per room, meaning a rent of Kshs6,000 per month per house. There was a break-away from the traditional poor maintenance of the houses due to the unviable rent of Kshs900.

(b) No sustainable rehabilitation programme has been undertaken. This was due to the unviable rents charged. However, routine maintenance has been carried out as per

individual tenant's request.

Mr. Ndolo: Mr. Deputy Speaker, Sir, I thank the Assistant Minister for that answer. However, most tenants of City Council houses are people who struggle to make ends meet. The Assistant Minister says that other tenants of privately-owned houses pay more. The rent increase was suspended through a Ministerial statement by the late Minister for Local Government, Mr. Maitha in 2004. Could the Assistant Minister tell this House why the Ministry ignored the directive by the late Minister that rents for City Council houses should not be increased until the houses are rehabilitated?

Mr. Shaaban: Mr. Deputy Speaker, Sir, the rents for these houses were increased vide Gazette Notice No.8494 of 14th December, 2001. There has not been any other gazette to cancel the same. Therefore, the rents will continue to be paid until that gazette notice is cancelled.

Capt. Nakitare: Mr. Deputy Speaker, Sir, the Assistant Minister is very clear in his support for the rise in rents. But for a long time the Nairobi City Council has not maintained houses in Eastleigh and elsewhere in Eastlands. The sewerage system of these houses is bad and the houses are in a poor condition. They were built in the early 1950s. What criteria did the Assistant Minister use to raise the house rents to the current market rates? Was it because of the cost involved in maintaining the houses, or because of the influx of people from other countries who come with money to suppress Kenyans?

Mr. Shaaban: Mr. Deputy Speaker, Sir, I appreciate the hon. Member's question. It is true that many of these houses have not been properly maintained. But we have instructed the Nairobi

City Council to ensure that these houses are properly maintained now that it is charging tenants more money than it was doing previously. We have instructed the Nairobi City Council to ensure that these houses are properly maintained.

Mr. Khamisi: Mr. Deputy Speaker, Sir, I do not think that in this time and age the Government should be in the business of renting houses. Could the Assistant Minister and the Government consider getting rid of these houses by selling them to the tenants who are already occupying them so that they can concentrate on the business of governing the country?

Mr. Shaaban: Mr. Deputy Speaker, Sir, we are going to prepare a policy paper on housing since one of the core businesses of this Ministry includes supervision of low cost housing. Once that is in place, we shall definitely consider giving houses to Kenyans so that they can own them.

Mr. Ndolo: Mr. Deputy Speaker, Sir, the Assistant Minister has said that the rent charged for those houses was increased because they had been charging low rents for quite a long time. He has also stated that they are now receiving a lot of money as a result of that increment. Could the Assistant Minister tell this House when they are going to renovate the Nairobi City Council houses now that they have enough money?

Mr. Shaaban: Mr. Deputy Speaker, Sir, we appreciate the fact that those houses are in a low maintenance situation. We will instruct the Nairobi City Council to start rehabilitating the houses now that they increased rents. We shall also tell them to maintain and rehabilitate the houses in phases so that the tenants can have decent houses.

Question No.617

ILLEGAL SEIZURE OF PUBLIC
UTILITY PLOT IN SOTIK

Mr. Deputy Speaker: I cannot see Mr. Kimeto in the House. This Question is, therefore, dropped.

(Question dropped)

Question No.409

TARDA-FUNDED PROJECTS
IN KIRINYAGA DISTRICT

Mr. Deputy Speaker: Is Mr. Karaba in? I do not see him too. The Question is also dropped.

(Question dropped)

Question No.569

GRAVELLING OF MASENO-KOMBEWA ROAD

Mr. Deputy Speaker: Is Prof. Anyang'-Nyong'o in? He is not present, but it could be because I released the Minister concerned with his Question. The Question is, therefore, deferred as I had said earlier.

*Question No.621*HARDSHIP ALLOWANCE FOR TEACHERS
IN NYANDO DISTRICT

Mr. Deputy Speaker: This Question will be answered much later as a result of a request made by the Minister.

Next Question, by Mr. Bett!

*Question No.470*SUPPLY OF ELECTRICITY
TO KERICHO/BURETI/BOMET DISTRICTS

Mr. Bett asked the Minister for Energy:-

(a) whether he is aware that many people in Kericho, Buret and Bomet districts have applied and paid for electricity supply with the Kenya Power and Lighting Company Limited (KPLC) in the last 10 years, but power has not been connected to their premises;

(b) if he could table a list of the people affected and indicate the amount of money paid by each during the said period; and,

(c) when they will be supplied with electricity or reimbursed their money.

The Assistant Minister for Energy (Mr. Kiunjuri): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that there were many applicants organised into five self-help groups namely, Kaptogoit, Merigure, Kaptandai, Kapcherogoni and Malaba in Kericho, Bureti and Bomet districts who applied and made partial payment of 10 per cent totalling to Kshs2,709,400 against a provisional budgetary estimate of Kshs26,828,100.

(b) A list of names of individual applicants is hereby attached to my written answer. However, KPLC does not have records of names of individual contributors to both schemes.

(c) The groups will be supplied with electricity once they make full payment.

Mr. Bett: Mr. Deputy Speaker, Sir, I am shocked by the answer given by the Assistant Minister because it is so vague, ambiguous and inadequate to convince an individual who knows so many people in that region who have paid for electricity, but have not been supplied with it. What the Minister has done is just to cluster us in groups, but there are so many individuals who have applied for power. Is the Kshs2,709,400 that was paid attracting any interest at all? That money is being used by KPLC for their own activities.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, I do not know why the hon. Member is not satisfied. I already answered this question in part (b) of my answer. The money he is talking about is not earning any interest at all. This is because the 10 per cent payment is only meant for us to go and do survey and design. Work was done to cover the percentage that was paid to KPLC.

Mr. Manoti: Mr. Deputy Speaker, Sir, while we appreciate what the Minister for Energy is doing, there are a lot of issues to be raised still.

Power supplied to tea factories in Kisii is not enough. Itumbi Tea Factory is a new one, but it cannot crush a lot of tea unless they use a generator which is now proving to be expensive for the farmers. They spend about Kshs50,000 per day when using the generator. What is the Ministry going to do to ensure that there is enough supply to assist the farmers to crush the tea?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, we are aware of these problems. When we

supplied power to some of these areas, the demand was low, but now it is picking and it is very high. So, if, for example, we supplied an 11 KV line we are now forced to boost that line to 33 KV in order to make power sufficient. In areas like Itumbi where people experience power surges because the existing line cannot bear the load, we are going to upgrade those lines from 11 KV to 33 KV.

Mr. Owino: Mr. Deputy Speaker, Sir, ten years is definitely a very long time. In my area I have cases of about ten to 15 years ago. If these people do not want the power any more, would you be able to refund their money immediately?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, we are dealing even with cases of 15 years ago. However, I want to remind hon. Members that for the last four years, the Ministry has not taken any 10 per cent payment from consumers. We are now dealing with the backlog. Those consumers know who took that amount of money. We are trying very hard to ensure that anybody who pays the 10 per cent requirement benefits.

However, those who feel that KPLC should refund them their money should write applications. I have made it clear that the 10 per cent is only meant to enable KPLC to go to the ground to do survey and design work. If we have done just that, then blame is on the part of customers who fail to pay the remaining balances.

Mr. C. Kilonzo: With regard to the issue of the 10 per cent requirement, the Assistant Minister could not be aware because, probably, at that time he was in school with me.

The 10 per cent requirement was introduced long time ago under the Rural Electrification Programme (REP). People were required to pay that deposit and the Government would go ahead to implement the project. There are many schemes in the country where people paid the 10 per cent requirement, but neither a survey was done nor the projects implemented. Why is the Government not considering implementing the projects now that people have complied with the 10 per cent requirement?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, I do not know where the problem is coming from. What I have said is very clear. The Government requires people to meet the 10 per cent requirement. The KPLC made use of that money in survey and design work. However, it did not connect the same customers. The new conditions that we have today must be met.

For those people who had qualified, we are still going to consider them. I believe that we have already done 80 per cent of our work as far as implementation is concerned. What I would like hon. Members to do is to list down the projects that have not been taken care of and table the list in the House. We shall then go ahead to do the necessary work.

Mr. Bett: Mr. Deputy Speaker, Sir, there is a rural electrification programme being implemented now and these people have paid 10 per cent deposit which may be too little money for the Kenya Power and Lighting Company (KPLC), but it is a lot of money for those members of the public. Could the KPLC consider incorporating those people who have paid the 10 per cent deposit in the rural electrification programme?

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, let me first of all inform the hon. Member that we are already considering his two projects which are Kapcherongwony and Marafa for the Spanish programme. However, let me make it very clear that even today some people are being confused and convinced by others to still continue paying the 10 per cent deposit. The chairmen of these rural electrification programmes still want to go ahead with the old habit of collecting money so that they can have their allowances. I want to assure this House that we are not doing that and if there is anybody asking for 10 per cent from your people, then you should know that he is misleading them. They should not pay. However, we are committed to fulfil what the other Government failed to do and we are going to provide those people with electricity.

Mr. Deputy Speaker: Next Question by Mr. Wamunyinyi!

*Question No.594*CURRENT FINANCIAL STATUS
OF NZOIA SUGAR COMPANY

Mr. Bifwoli, on behalf of **Mr. Wamunyinyi**, asked the Minister for Agriculture:-

- (a) how much of Nzoia Sugar Company's debts have been written off;
- (b) how much of Government guaranteed loans to the company have been converted into equity;
- (c) what the current financial status of the company is; and,
- (d) when the Government intends to start the project to expand the company since most of the equipment required is on site.

Mr. Deputy Speaker: However, Mr. Bifwoli, you should always inform the Chair of such an arrangement.

Mr. Bifwoli: Mr. Deputy Speaker, Sir, I have been coming to your office but you are always busy.

(Laughter)

Mr. Deputy Speaker: But I have been sitting here since 9 o'clock. Nevertheless, I am informed by the Clerk that there is some technicality on this Question in the sense that there was a similar Question which was answered earlier. However, if the Minister wants to give it a go because I have an answer, then it is fine.

The Minister for Agriculture (Mr. Kirwa); Mr. Deputy Speaker, Sir, I will be glad to answer the Question but I realise that it came on 2nd May this year under Question No.037.

Mr. Deputy Speaker: Mr. Minister, I think you had answered a similar Question in May and that is precisely the point that I am making; that there is a technicality on this Question. However, let me defer this Question so that this technicality is sorted out because it appears like you need to compare a Question which was answered earlier which seems similar to this one. To be fair to Messrs. Wamunyinyi and Bifwoli, let me defer the Question while the Clerk sorts out that technicality.

Mr. Bifwoli: Mr. Deputy Speaker, Sir, I would like to know who asked the other Question.

Mr. Deputy Speaker: It does not matter who asked it. Whether it is Mr. Wamunyinyi or anybody, once a Question has been on the Floor of the House, according to the Standing Orders, a similar Question cannot come within the period of six months and this is too soon. So, we want to check and be sure that we are not contravening the Standing Orders. Proceed, Mr. Minister!

The Minister for Agriculture (Mr. Kirwa): Mr. Deputy Speaker, Sir, I have actually compared the two Questions. In fact, it is one Question under Nos.037 and 594, asked by the same hon. Member and answered by the same Minister.

Mr. Deputy Speaker: Therefore, that even strengthens my position. However, let the Clerk also confirm what the Minister is saying and, therefore, I defer the Question to next week.

Mr. Bifwoli: Mr. Deputy Speaker, Sir, it would be fair for us to be given the answer even if it is not answered here.

Mr. Deputy Speaker: No, Mr. Bifwoli! *Wewe ni mtu wa kutumwa bwana!* Let us follow the procedure.

(Laughter)

Mr. Bifwoli, you have been sent. So, really you have no *locus standi* to argue over this matter. The Question must be deferred until it is sorted out.

(Question deferred)

Mr. Deputy Speaker: Next Question by Mr. Mukiri!

Question No.624

SETTLEMENT OF BILL OWED TO WINAM
MEAT SUPPLIES BY KODIAGA PRISON

Mr. Mukiri: Mr. Deputy Speaker, Sir, I do not wish to ask this Question but I want to take this opportunity to thank His Excellency the Vice-President and Minister for Home Affairs because he has already confirmed to me that---

Mr. Deputy Speaker: Order, Mr. Mukiri! This Question is the property of the House; ask it!

(Applause)

Mr. Mukiri asked the Vice-President and Minister for Home Affairs:-

- (a) whether he is aware that Winam Meat Supplies are owed over Kshs4.6 million by the Government for the supply of meat to Kodiaga and Kibos prisons; and,
- (b) why the Government has not settled this bill.

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, I beg to state as follows: Indeed, the hon. Member has been in touch with me and the action he was asking has been taken. So, he is satisfied with the situation.

Hon. Members: What about the House?

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, as far as the House is concerned, I will reply as follows:-

(a) Yes, I am aware that Winam Meat Supplies was owed Kshs4.6 million by Kodiaga Prison.

(b) The reason why this happened is simply because we did not have the funds. Now that we have received the funds, money has been sent to the prison and Winam Meat Supplies will be paid any time from now.

Mr. Mukiri: Mr. Deputy Speaker, Sir, I wish to take this opportunity to thank His Excellency the Vice-President and Minister for Home Affairs for his intervention and I am satisfied with what the Government has done.

Mr. Deputy Speaker: Very good. Mr. Mukiri, that is how it should go for the records of the House. Do not make deals outside there and then you want us to be part of them. Mr. Salat, what supplementary question do you have?

Mr. Salat: Mr. Deputy Speaker, Sir, my supplementary question is: This being a Question that is before the House, are other cases similar to this one from other parts of the country receiving the same treatment the Vice-President and Minister for Home Affairs has given to this one?

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker,

Sir, yes, indeed. In fact, in Kodiaga, Winam Meat Supplies are not the only suppliers. So, the money that has been sent to Kodiaga Prison is to pay all pending bills including Winam Meat Supplies. Similarly, we have sent money to all the 92 facilities under our Ministry to pay not only for pending bills but to buy fresh supplies for the moment.

Mr. Deputy Speaker: Next Question, Mr. Ochilo-Ayacko!

Question No.309

PROVISION OF CLEAN WATER
TO AWENDO TOWNSHIP

Mr. Deputy Speaker: Mr. Ochilo-Ayacko is not here. Therefore, I will drop the Question.

(Question dropped)

Next Question, Mr. Kajwang!

Question No.330

SHORTAGE OF MEDICAL PERSONNEL
IN SUBA DISTRICT

Mr. Kajwang asked the Minister for Health:-

- (a) what is the shortage of medical personnel in medical facilities in Suba District;
- (b) what is the shortage of medical personnel in Suba District Hospital at Sindo; and,
- (c) whether she could give an assurance that the acute shortage of medical personnel will be addressed by June, 2006 as promised by the Government.

The Assistant Minister for Health (Dr. Kibunguchy): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that Suba District health facilities have a total workforce of 136 personnel. Out of these, there is a shortage of 50 personnel in various cadres.

(b) The shortage of medical personnel in Suba District at Sindo is 12 personnel in various cadres.

(c) My Ministry has already deployed 30 nurses and seven clinical officers, who reported for duty in September and November this year. However, currently, the medical personnel on the ground are able to manage the facilities and render services without any problem.

Mr. Kajwang: Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for the personnel that he sent to our facilities recently. However, he may not be aware that the district hospital has only one doctor and the Medical Officer of Health. So, what is the general ideal capacity for a district hospital, in terms of personnel, including doctors, clinical officers and nurses? Looking at it that way, what is the shortage that our district hospital is suffering?

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, the information we have is that Suba District Hospital has three doctors currently, while its requirement is six doctors. So, the shortfall is three doctors. As I said earlier, the shortfall of personnel in various cadres at the hospital is currently 12 but I would like to assure the hon. Member, who is my friend, that, within a very short time, we shall be having enough personnel. We are still employing new personnel to cover the shortfall.

Mr. Kosgey: Mr. Deputy Speaker, Sir, the issue of shortage of personnel in public medical facilities is widespread. If I recall correctly, for the last three years, the Ministry has been telling us that this problem would be solved. In my constituency, for instance, the shortage of medical personnel is acute. When will the Ministry deploy enough staff to our health institutions? We know that there are people who have undergone training and are waiting to be employed. It has become the habit of this Government to tell us to wait. When are we going to have personnel deployed to our medical facilities?

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, we have severally answered the question of shortage of medical staff in the country. As a Ministry, we agree that there is shortage of staff. However, we have started employing. This year alone, we have so far employed 3,800 health workers. Before the end of the year, we will employ additional 1,300 health workers. May I remind my friend that NEPAD has rated the Ministry of Health as one of the best Ministries in the country. So, I believe that we are going through good times.

Mr. Billow: Mr. Deputy Speaker, Sir, in terms of the statistics that have been published by the Central Bureau of Statistics, there is gross inequality in the distribution of health services, to the extent that in a place like the North Eastern Province, there is one doctor to 120,000 people. For instance, in my constituency, two sub-district hospitals have not a single doctor. Each of the facilities has got only one clinical officer and three nurses. Could the Assistant Minister tell the House, whether there is a standard policy of distribution of medical workers, equitably, across the country, to avoid this kind of inequality?

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, we have a policy of equal distribution of workers. The policy has not worked most of the time, but I would like to assure the House that we intend to take a step further to ensure that it works. We want to come up with a uniform house allowance for all our health workers, regardless of where they are working. We hope that such an initiative will enable us to move quite a number of our health workers from the urban centres to health facilities in rural areas. So, when we come up with a uniform house allowance for, say, doctors, even if they are posted to medical facilities in rural areas, they can save a little from this allowance. That way, we hope, we will make it possible for people to opt to work in the rural areas.

Mr. Deputy Speaker: Last question, Mr. Kajwang!

Mr. Mwanacha: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order! Order! Mr. Mwanacha, I thought we agreed that the habit of rising on points of order on matters of Questions should cease. You had stood before, wanting to ask a question. You did not catch my eye. You now want to catch my eye through a point of order. I say "no" because I think you want to ask a question. No order has been broken.

Proceed, Mr. Kajwang!

Mr. Mwanacha: Mr. Deputy Speaker, Sir, since I finally caught your eye, you should have allowed me to ask the question.

Mr. Deputy Speaker: Order, Mr. Mwanacha! You are out of order!

Proceed, Mr. Kajwang!

Mr. Kajwang: Mr. Deputy Speaker, Sir, the Assistant Minister is aware that although the Ministry sometimes sends personnel to Suba District, most of the personnel think that if you are sent to that district, you have been sent there for disciplinary purposes, because it is a hardship area. I can tell him for a fact that not even a half of the medical personnel he has deployed to the district will report for duty, and that a half of those who will report there will run away. So, what measures has he put in place to ensure that once someone is posted to a medical facility, he works there for a fixed period of time, like the Teachers Service Commission has done for teachers? Could he ensure that unless one takes his appointment and stays at the work station, he is disciplined, and not just transferred elsewhere? The most notorious are nurses, who insist that they have been married

recently in some other areas. So, they flee from their places of work.

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, I want to assure Mr. Kajwang that all the health workers employed by the Ministry recently are on a three-year contract. One of the conditions of the contract is that for the three years they will be in service, they will work at the stations they have been posted to. Therefore, I am very sure that those who have been posted to Suba District, will work there for, at least, three years. Secondly, sometimes, we have to accept the fact that we are all human beings. If two people are newly married, it is only fair that they stay close together.

Mr. Deputy Speaker: Hon. Members, let us go back to Eng. Nyamunga's Question.

Question No.621

HARDSHIP ALLOWANCE FOR TEACHERS
IN NYANDO DISTRICT

Eng. Nyamunga asked the Minister for Education:-

(a) whether he could give a breakdown of primary and secondary schools in each of the divisions in Nyando District.

(b) whether he could also give a breakdown of primary and secondary school teachers in each division in the district, indicating their gross salary; and,

(c) which divisions are entitled to hardship allowance and what is the amount.

The Assistant Minister for Education (Dr. Mwiria): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The breakdown of primary and secondary schools per division in Nyando District is as contained in the written answer to the Question. The district has a total of 274 primary schools and 60 secondary schools.

(b) The breakdown of primary and secondary school teachers, and their gross salaries, is as follows: Number of primary school teachers, 2,170; gross salary, Kshs44,180,771. Number of secondary school teachers, 539; gross salary, Kshs21,832,778.50.

(c) Teachers in some zones in the divisions receive hardship allowance. Secondary school teachers receive Kshs5,938 each per month, amounting to a gross figure of Kshs71,256 per month. Primary school teachers receive hardship allowance of Kshs6,320 per month each, amounting to a gross figure of Kshs75,000 per annum.

Thank you, Mr. Deputy Speaker, Sir.

Eng. Nyamunga: Thank you, Mr. Deputy Speaker, Sir. We have about six divisions, as indicated by the Assistant Minister's reply. Out of those six divisions, only the teachers working in Nyando Division do not get hardship allowance, when it is common knowledge that Nyando Division suffers from flooding every year. Actually, if that is anything to go by, it should be the first one to have qualified for hardship allowance. Could the Assistant Minister tell us the criteria that was used to exclude teachers from Nyando Division from getting hardship allowance while the other teachers get it?

Dr. Mwiria: Mr. Deputy Speaker, Sir, let me repeat what I said yesterday with regard to this Question about hardship allowance.

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! I am sure you want to hear the Assistant

Minister.

Dr. Mwiria: I said that there are some problems with regard to how some schools were picked and there is need to harmonize that. This is already happening and we hope that by next year, we would have harmonized that issue so that there will be no schools being left out as long as they deserve. But that process is taking place and it will apply to the whole country.

Prof. Olweny: Thank you, Mr. Deputy Speaker, Sir. When will the Assistant Minister post teachers to some of the newly established and registered secondary schools within the district where teachers do not get hardship allowance?

Mr. Deputy Speaker: Order, Prof. Olweny! Is that question related to the Question?

Prof. Olweny: Yes, Mr. Deputy Speaker, Sir. We are talking of secondary schools here. He has given us a list of secondary schools. Some of them have no teachers and we are talking about teachers!

Dr. Mwiria: Mr. Deputy Speaker, Sir, what we do with the newly registered schools is that we ask them to forward the curriculum based establishment to the Teachers Service Commission (TSC). After they do that, then we give them teachers on the basis of the number of teachers available and the number of students registered. We are making progress with this. Not all schools have enough teachers, but we are making every effort to post teachers to the newly established schools on the basis of the number of students that are registered.

Mr. Deputy Speaker: Last question, Eng. Nyamunga!

Eng. Nyamunga: While I thank the Assistant Minister again for a very comprehensive answer, is he aware that every year, Nyando Division has been last in terms of performance because teachers are excluded from hardship allowance and the teachers do not want to teach?

(Mr. Cheboi consulted loudly)

Mr. Deputy Speaker: Order, Mr. Cheboi! Could you sit down? You are contravening the Standing Orders!

Eng. Nyamunga: Could the Assistant Minister give an indication as to when this anomaly will be sorted out so that Nyando Division performs like other divisions in the district?

Dr. Mwiria: Mr. Deputy Speaker, Sir, in fact, we should have had a conclusive report by last year, but the mandate of the task force that is harmonizing hardship allowances was expanded to include all civil servants. We hope that by June, 2007, we should be in a position to have a common structure and criteria for all hardship areas in the country.

Mr. Deputy Speaker: Very well. Thank you, Mr. Assistant Minister. That is the end of Question Time.

COMMUNICATION FROM THE CHAIR

QUESTION NO. 594 PREVIOUSLY ASKED AND ANSWERED

Mr. Deputy Speaker: Before I leave that matter, I want to make a ruling on Question No. 594 by hon. Wamunyinyi. The Clerk has been able to supply me with the relevant information. The fact of the matter is that Mr. Wamunyinyi asked the same Question; Question No.038, and it was answered by the Minister for Agriculture, hon. Kirwa, on 7th June, 2006. Therefore, this Question actually contravenes our Standing Orders by being brought back within such a short time. I do not understand. I know that there was a problem with the hon. Member when he asked that Question on that date. But according to our records here, the Question was dealt with on 7th June, 2006.

Therefore, this Question is dropped and it must be dropped dead!

The Assistant Minister for Water and Irrigation (Mr. Wanjala): On a point of order, Mr. Deputy Speaker, Sir. I do not want to contradict you. I agree with you that, that Question was asked, but before it was answered, the hon. Member misbehaved and abused hon. Kirwa. He was then sent out---

Mr. Deputy Speaker: Those are details which I know and which I have, Mr. Wanjala! But the fact of the matter is that, as per our records, the Question was dealt with and disposed of on that day. Therefore, it cannot come back!

Question No. 594

CURRENT FINANCIAL STATUS OF
NZOIA SUGAR COMPANY

(Question dropped)

Now, there are a number of Ministerial Statements to be made, they are actually three. But before they are issued, I will allow requests for Ministerial Statements.

Proceed, Prof. Anyang'-Nyong'o! Sorry, it is Prof. Oniang'o!

(Laughter)

Prof. Oniang'o: Mr. Deputy Speaker, Sir, I do not even look like Prof. Anyang'-Nyong'o!

Mr. Deputy Speaker: You do not!

(Laughter)

POINT OF ORDER

NON-REMITTANCE OF KCPE
EXAMINATION FEES BY TEACHERS

Prof. Oniang'o: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to seek a Ministerial Statement from the Minister for Education concerning the ongoing national examinations; the Kenya Certificate of Primary Education (KCPE). As we are all aware, there are pupils who found out on the day they were supposed to start examinations that they were not registered to sit for the them. This is not the first time it has happened.

Secondly, we have children in insecurity hit areas who are unable to sit for the examinations. So, the Minister should tell us how many candidates this year are unable to sit for their examinations. Some of those candidates are girls who look big and now they have to wait for another one year. They have also lost their examination fees, yet they are very poor children. We want to know how many they are. We would also like to know what mechanism the Ministry uses just before the examinations start to ensure that parents and pupils know that they must ensure that they are actually going to sit for the examinations.

Thank you, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Mr. Assistant Minister, this is quite a serious matter, try to address it urgently.

The Assistant Minister for Education (Dr. Mwiria): Mr. Deputy Speaker, Sir, I am already being given a prescription by hon. Wetangula, who says that we must prosecute those teachers. But let me give this Ministerial Statement on Tuesday, next week.

Mr. Deputy Speaker: Very well. I think it is important because parents are anxious.

MINISTERIAL STATEMENTS

Mr. Deputy Speaker: We will start with the Ministerial Statement from the Ministry of Foreign Affairs.

STATUS OF THE SITUATION IN SOMALIA

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Thank you, Mr. Deputy Speaker, Sir. Last week, the hon. Member for Vihiga requested for a Ministerial Statement on the status of the situation in Somalia.

Hon. Members will recall that after two years of peace and reconciliation talks at Mbagathi under Kenya's mediation, the people of Somalia, in an unprecedented and widely representative conference freely and democratically agreed to a transitional political settlement founded on a Federal Charter to end more than a decade-and-a-half of conflict. The charter and the transitional federal institution created the Transitional Federal Government (TNG) and the Transitional Federal Parliament (TFP) which were, subsequently, recognized by Inter-Governmental Authority on Drought and Development (IGADD), the AU and the entire international community.

Mr. Deputy Speaker, Sir, on 9th February, 2004, our President said the following to underscore the importance of Somalia:-

"As a neighbouring country, we wish to see peace and security restored in Somalia and the entire Horn of Africa. But above all, lasting and durable peace and a stable Government in Somalia is a matter of great national interest to Kenya".

That remains the case.

Mr. Deputy Speaker, Sir, following the relocation of the transitional federal institutions to Somalia and the inability of the TFG to move to the capital, Mogadishu, the IGADD Summit of Heads of State, at the request of the TFG and the TFP, took a decision to deploy a peace support mission to help consolidate the gains achieved in Mbagathi. This discussion was endorsed by the AU. Kenya concluded a framework agreement with the TFG in recognition to help the people and government of Somalia to transit from civil war to democratic development. A number of other steps were taken to ensure that the fragile peace agreement concluded is not undermined or threatened. This included the banning of warlords and other elements from Somalia bent on destabilizing that country from using Kenya as an operational centre.

Mr. Deputy Speaker, Sir, Kenya undertook appropriate diplomatic interventions to enhance further genuine reconciliation between the leadership of the Transitional Federal Institution (TFI) and other interested parties, including until recently, the Islamic Courts Union (ICU).

The ICU has emerged since June, 2006, as a major factor on the Somalia political scene. Kenya continues to encourage dialogue between them and the TFI. The apparent collapse of the third round of the Intra-Somalia talks which were to be held in Khartoum, Sudan, from 30th October, 2006, is being addressed by IGADD, to which President Mwai Kibaki is the Chair, in collaboration with the League of Arab States and the rest of the international community, with a view to bringing Somali parties back to the table to talk.

Mr. Deputy Speaker, Sir, Kenya strongly believes that like all situations of conflict, the resolution of the Somalia situation can best be achieved through dialogue. In this regard, it is upon

the Somali people to accept to negotiate in the spirit of compromise, in order to resolve their conflict. For a country that has been ravaged by conflict and civil strife for over 15 years, it is impossible to expect durable peace to return overnight. Indeed, the entire process is constantly being scuttled or undermined both internally and externally.

Mr. Deputy Speaker, Sir, as we continue our collective search as IGADD to provide a conducive environment for the TFI to operate through the envisaged peace support measures, we recognize that dialogue is the only solution towards a negotiated and genuine settlement of the crisis. We encourage the parties to chose the path of dialogue and peace, within the framework of the Transitional Federal Charter (TFC). It is for this reason that I was mandated by the IGADD Council of Ministers meeting in Nairobi to open a window through which dialogue between the ICU and the TFG can be enhanced.

Consequently, on behalf of Kenya and IGADD Council of Ministers and our Ambassador to Somalia, Amb. Affey, I visited Somalia to consult and assess the situation. I met the TFG in Baidoa and the leadership of the ICU in Mogadishu. Both parties expressed their readiness to dialogue. We facilitated the travel of the ICU leadership to Nairobi in early September with whom we again held extensive discussions on the need to have peace in their country.

Mr. Deputy Speaker, Sir, the crisis in Somalia is not a Kenya or IGADD problem, but a regional problem. It is by all means an international crisis that stretches global peace and security. The problem of piracy, terrorism and illicit flow of arms that we have witnessed in Somalia illustrates the magnitude of this problem. On 29th August, 2006, I wrote to the President of the UN Security Council, urging the Council to coalesce its support for Somalia and IGADD's collective effort by way of strong Security Council resolution. We equally appeal to the UN Security Council to lift the arms embargo on Somalia, to enable the TFG build the necessary institutions of governance and civil authority in the country. This has not been done.

Mr. Deputy Speaker, Sir, it is important to note that the emergence of the ICU in Somalia was a community-based response to the lawlessness that pervaded much of Mogadishu and the surrounding areas. Its influence has since been felt in the southern area bordering Kenya. To protect our national interests and territorial integrity, our security forces have been put on high alert, and patrols have been enhanced along our common border with Somalia. Our internal security and intelligence surveillance has also been stepped up to ensure that there is no lapse between the two countries' borders. Comprehensive measures have been taken to thoroughly vet all refugees entering Kenya. We have been receiving up to 2,500 refugees per day, from Somalia. We are vetting them thoroughly to ensure that only genuine refugees are allowed to enter this country.

Mr. Deputy Speaker, Sir, finally, I want to point out that Somalia is linked to Kenya culturally, socially, economically and environmentally. Its problem inevitably affects our country. I want to urge all those who have any ability or capacity to assist in bringing peace and normalcy in Somalia, to come forward and join the effort.

Thank you.

Mr. Ligale: Mr. Deputy Speaker, Sir, I want to thank the Assistant Minister for that very comprehensive Statement. I do agree with him that the Somalia crisis is our crisis. It is one that we must handle carefully.

However, in terms of what we have done to try and ensure that peace, into which we invested so heavily in terms of resources and energy, lasts, I would like to submit that we could have done better. First of all, I believe that when the TFG relocated from this country into Somalia, we, as a country, could have done much to try and assist them to relocate to the headquarters. One of the reasons why the ICU has taken route, is because of the lawlessness that persisted in that country. Therefore, it took it upon itself to try to impose laws. It has now actually become a government.

Mr. Deputy Speaker, Sir, I would like the Assistant Minister to tell us, if through their own intelligence, they are not aware that the ICU is not just based in Somalia. It may be having support from somewhere else. The way it has been behaving shows that it must be having some support from some other quarter. It is, indeed, now attacking Puntland. It wants to take on Ethiopia. Ethiopia has moved in to try and prop-up the fragile Government in Baidoa. The ICU has threatened to take on Ethiopia in addition to invading Puntland. Surely, this cannot just be a matter that they are doing from within. They must be having some power from somewhere else. From the intelligence report, could he tell us whether they are aware of this additional force that is backing the ICU in Somalia?

Mr. Deputy Speaker: Please, make it short!

Mr. Ligale: Mr. Deputy Speaker, Sir, this is a very important matter!

Mr. Deputy Speaker: It is, of course! But I have given you fair time. You have to give the Assistant Minister a chance to respond to that very comprehensive statement you have made.

Mr. Ligale: Mr. Deputy Speaker, Sir, finally, in the recent past, we have had the United States of America (USA) issue alerts to its own citizens that they must be very careful in Kenya and Ethiopia because they have intelligence information that through the ICU, we are likely to have attacks on vital installations in this country and Ethiopia. Does he have any information to that effect? Has he shared that intelligence report with the USA? These are matters that are of concern to Kenyans and they need answers.

Mr. Deputy Speaker: I will ask the Assistant Minister to respond to the issue without mixing it with any other!

Mr. Assistant Minister, please, proceed!

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Mr. Deputy Speaker, Sir, indeed, the issue of Somalia is very complex. When we relocated the TFG to Baidoa, you may recall that a group of warlords broke away. They went and set up camps in Mogadishu. They shared out the town, manning and collecting illegal revenue from the port, airport, airstrip and a major street. These warlords, under the guise of fighting terrorism, got heavy funding from a major power.

Mr. Deputy Speaker, Sir, in the process there emerged the Islamic Courts Union (ICU) to resist the rule of the warlords in Mogadishu. A war erupted and the warlords were flushed out. Some fled to Kenya. Kenya led the IGADD in banning the warlords from coming to Kenya or to any IGADD country, and in freezing their assets wherever they were sighted. We sent them away to give---

Mr. Lesrima: On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order, Mr. Lesrima! That is out of order now! Let the Assistant Minister finish and then I will give you an opportunity.

Mr. Assistant Minister, please, proceed!

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Mr. Deputy Speaker, Sir, we sent them away to give dialogue, peace and security an opportunity. It was at that time when the ICU emerged as a major force. Indeed, they have made Mogadishu fairly safe and habitable. I have visited it myself. However, what is worrying is the territorial expansion that they are undertaking and the hon. Member has mentioned this. That is why I have said our armed forces are on high alert in case this territorial expansion affects our peace and security.

There is also a likelihood that the conflict in Somalia now is taking a dimension that may suck in a few neighbours to settle scores between themselves on Somalia soil. Kenya, as the chair of IGADD, is completely seized with this issue. The President, His Excellency Mwai Kibaki, as the chairman of IGADD, is in constant consultation with Heads of State of IGADD countries to ensure that the conflict in Somalia does not get out of hand. That is why we are encouraging the ICU to

dialogue with the TFG. Indeed, only yesterday, I was able to personally speak to both the leadership of the TFG and ICU. They are ready and willing to come and sit in Nairobi to discuss and see how best to solve their problems.

Mr. Deputy Speaker, Sir, on the issue of the American issuance of advisories and alerts that the hon. Members has mentioned, our security agencies are dealing with that. As a government, we do not take such warnings lightly. The alert on Americans not to come to Kenya is nothing new. They have been doing it for the last ten, or more, years. We have constantly raised our concerns and protests that some of those alerts are not helpful. They harm our tourism industry and undermine our authority as a sovereign State.

Mr. Deputy Speaker: What was your point of order, Mr. Lesrima?

Mr. Lesrima: Mr. Deputy Speaker, Sir, I was just wondering whether it was appropriate for the Assistant Minister to continue using the word "warlords" when he gives the impression that Kenya is anti-ICU---

Mr. Deputy Speaker: Order, Mr. Lesrima!

I want to plead with hon. Members that, just as I requested last week, we should stop the culture of interrupting other hon. Members, on this side or the other side, with points of order when they are making contributions.

Mr. Lesrima now wants to advance his argument! That would be a point of argument not a point of order!

Let us have Mr. Billow, Mr. Maore, Mr. Salat and Dr. Ali, in that order.

Please, be brief.

Mr. Billow: Mr. Deputy Speaker, Sir, I want to thank the Assistant Minister for that comprehensive Statement.

Mr. Deputy Speaker, Sir, when the Government of Kenya created the "take-away" government of Somalia, excuse me for the use of that word, it comprised of former warlords and people who were responsible for the suffering and massacres that happened for 16 years. The ICU sprang up spontaneously because of a revolution by the people of Somalia. However, I want to accept and support the President's argument of 2004 that the peace and stability of Somalia is of great interest to Kenya. Given that the Assistant Minister has said that the Kenyan Government gives reconciliation between the TFG and ICU, dialogue and compromise priority more than anything else, what action is the Kenyan Government taking, as the chair of IGADD, to ensure that no neighbouring country invades Somalia? The consequence of any invasion of Somalia would have catastrophic effects on this country.

Mr. Maore: Mr. Deputy Speaker, Sir, as a matter of concern, given the history of expansion programme by Somalia and the fact that there have been territorial claims on Kenya, which claims cover areas up to around Meru Town, what is the Assistant Minister or the Government going to do to stop the influx of refugees to areas outside refugee camps? It looks like there is a well calculated take-over programme for the future.

Mr. Deputy Speaker: Mr. Assistant Minister, address those two issues!

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Mr. Deputy Speaker, Sir, in relation to Mr. Billow's question, we all know that the Somali nationals who met in Kenya to discuss peace were a cocktail of peaceful Somalis, current warlords and former warlords. It is a give and take process, all inclusive and they managed to reach an agreement. It was a Somali process. We had, as a region, no capacity or duty to vet who participated in it because we wanted Somalis to come together. Indeed, they did. That is why those who broke away are prevented from coming to this country, and they are no longer here.

Mr. Deputy Speaker, Sir, on the issue of a possible invasion of Somalia, I do not believe that there is any imminent danger of any neighbour doing so. Indeed, under the IGADD

arrangement, if eventually we send a peace keeping force to Somalia, it is agreed that frontline States to Somalia of Kenya, Ethiopia and Djibouti will not contribute any troops. It is only Uganda and Sudan who have put troops forward. This, again, has been resisted by the ICU. To keep peace in any country, those in it must accept and welcome you, otherwise you become an invading army. We are waiting for that welcome.

Mr. Deputy Speaker, Sir, on territorial claims that Mr. Maore has talked about, I think this is a historical factor that is long dead. We do not have any neighbour of Kenya laying any territorial claims on our country. I said that our armed forces are on high alert. They are guarding our borders and we do not have any problem.

Mr. Salat: Mr. Deputy Speaker, Sir, I would also like to thank the Assistant Minister for a very comprehensive Statement. I heard him talk about the arms embargo that the United Nations (UN) has in place. However, he did not say what he is doing to have a government we formed using this country's resources the necessary ingredient of being armed. The ICU are well armed and are taking over the government. They are making it look as if we did not form an interim government for Somalia. What is he doing to have the embargo lifted, so that the people in the interim government can face up to the ICU and reach an amicable solution with them? This will ensure that the government that we formed in Kenya does not fail.

Dr. Ali: Mr. Deputy Speaker, Sir, I would like to commend the Assistant Minister for doing a good job. Kenyans have done a good job in bringing the Somalis together and forming the TFG. Unfortunately, if things have gone wrong now, we cannot stay aside. As holders of the chairmanship of IGADD, Kenyans need to do more. We need to get involved in what is happening in Somalia and not be seen to be taking sides. Unfortunately, TFG is only in a town called Baidoa. It is nowhere else. Whether the Islamists are supported from up, down or by who does not really matter. They are literally in charge of that country now.

I would like to request the Government to make proper efforts towards this course. The ICU sees Kenya as supporting the TFG, which unfortunately, does not exist. Could the Government, please, do what needs to be done. The issue of territorial claims does not exist. We are Kenyans and we will remain in Kenya. Those who were supposed to have gone there a long time ago---

Mr. Deputy Speaker: Order! The Assistant Minister has dealt with that!

Dr. Ali: Mr. Deputy Speaker, Sir, I just want to state that the issue of territorial claims does not exist and will never exist.

Mr. Deputy Speaker: You are now talking like a Somali!

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Mr. Deputy Speaker, Sir, the issue that hon. Salat has raised has been of major concern to the region and to the African Union (AU). Once there is a UN arms embargo, we cannot even send the peace keeping mission to Somalia because the moment you arm them, you break the Security Council resolution.

We are trying our very best. In September, our Minister for Foreign Affairs, hon. Tuju, was in the UN together with other AU Foreign Ministers. They talked to the Security Council, but they did not succeed in lifting the arms embargo. Yesterday, hon. Tuju held a meeting with the UN Secretary-General elect, Mr. Ban Ki-Moon, the Foreign Affairs and Trade Minister of South Korea. He has already put him on alert that he is going to pursue the issue of lifting the arms embargo on Somalia with even greater vigour. You cannot even lawfully train and arm the police force that Kenya has so kindly offered. We have already trained 500 policemen and sent them to Somalia to give civil authority and protection to the Government. However, arming them is a problem because of this resolution.

I would like to thank hon. Salat for raising that issue. We are fighting to have the embargo lifted. Again, as I said, all of us have a collective duty to assist our neighbours. Whenever you can,

even the Committees of this House, you should engage everybody who is concerned, so that we can assist our neighbours.

Mr. Deputy Speaker, Sir, on the issue that Dr. Ali has raised, I would like to state that several initiatives have been undertaken to solve the problems in Somalia, the latest being the League of Arab States that held discussions in Khartoum. They have held Round I and Round II of the discussions. Round III was to be held on 30th of last month. I was, in fact, to go and co-chair the meeting, but the Islamic Court Union declined to join the discussions under the pretext that Kenya was supporting the TFG and, therefore, was possibly against them and that the environment was not conducive for discussions. They have since changed their minds and called us. They have called me personally and told me that they are ready to sit with Kenya as the Chair of the discussions between the TFG and themselves.

Let me finish by assuring the House that the issues of the TFG, however weak one may see it, it is very critical for this region because this is the only internationally recognised structure of governance in Somalia. It is recognised by IGADD countries, the AU and the UN. If we let it fizzle out, we will rewind the clock on Somalia to 16 years back and start afresh. That will not be wise for the region and for anybody.

Finally, I would like to thank hon. Ligale for bringing up this issue. I want to encourage him by telling him that we can even have a Committee of this House of volunteers. I have met hon. Billow in Mogadishu trying to play his bit to bring normality to our neighbours. We all have a duty to play and we can contribute towards this course.

COMMUNICATION FROM THE CHAIR

TABLING OF LIST OF TECHNICAL STAFF IN MINISTRY OF AGRICULTURE

Mr. Deputy Speaker: Thank you, Mr. Wetangula. Mr. Kembi-Gitura was to lay a document on the Table based on a Question that was asked by Prof. Olweny. Please, do that, Mr. Kembi-Gitura.

The Assistant Minister for Agriculture (Mr. Kembi-Gitura): Mr. Deputy Speaker, Sir, in answer to Question No.056, I was directed to lay on the Table of the House a list of all technical staff in the Ministry of Agriculture in the whole country.

Last week, I was not able to lay the document because it had been done by provinces and I thought it was imperative that it be done by divisions, so that it becomes more relevant to the hon. Members. I have with me a complete list of all technical staff in the Ministry of Agriculture, listed division by division, which I think is going to be of tremendous assistance to hon. Members, as they try to work out which extension officers are in their relevant divisions.

*(Mr. Kembi-Gitura laid the
document on the Table)*

Mr. Deputy Speaker: Thank you very much, Mr. Kembi-Gitura. Eng. Nyamunga, the document has been laid on the Table of the House.

Before we get a Ministerial Statement from the Minister of State, Office of the President, there is another document to be laid on the Table from the Ministry of Health.

Prof. Olweny: On a point of order, Mr. Deputy Speaker, Sir. I had asked the said Question. Could I ask something about it?

Mr. Deputy Speaker: No! Prof. Olweny, the Question was completed. The only thing that

remained was to lay the document. Professor, please, look at the Standing Orders!

TABLING OF HOUSE BIDS AND
TENDER DOCUMENTS FOR RURAL
HEALTH PROJECT

The Assistant Minister for Health (Dr. Kibunguchy): Mr. Deputy Speaker, Sir, on Wednesday last week, while answering Question No.384, Prof. Anyang'-Nyong'o asked me to lay on the Table of the House bids and tender documents for Rural Health Project II that was done. I am glad to lay these documents on the Table.

*(Dr. Kibunguchy laid the
documents on the Table)*

Mr. Deputy Speaker: Very well! The Question was completed. It was only the laying of the documents that had remained.

There is a Ministerial Statement on hardship allowances by the Minister of State, Office of the President.

MINISTERIAL STATEMENT

PAYMENT OF ALLOWANCE TO
PUBLIC SERVANTS IN HARDSHIP AREAS

The Minister of State for Public Service (Mr. Akaranga): Mr. Deputy Speaker, Sir, there have been numerous requests from the hon. Members for the clarification of areas designated as hardship and the rate of allowance payable. As a result, my Ministry has found it prudent to make a Statement on hardship areas and the allowance payable.

Let me give a historical background of the hardship issue. Hardship allowance, as it is known today, has undergone a number of changes. Before and immediately after Independence, it was known as family separation allowance, which was paid to European officers and frontier allowance which was paid to public servants who were working in the designated hardship areas. The purpose of granting the allowance was to partially compensate public servants working in hardship areas due to lack of basic social services and amenities. It was also paid for non-conveyable reasons such as inducing officers to take the risk due to hardship areas and motivate them due to isolation and family separation.

The allowance was to be progressively reviewed and phased out as and when the hardship areas become comparably developed like other parts of the country.

In Independent Kenya, hardship allowance was introduced in 1969, for officers in designated areas. Those areas at the time were North Eastern Province, Isiolo, Lamu, Marsabit, Samburu, Tana River, West Pokot, Turkana District and Baringo District. Later, areas that experienced similar conditions were gazetted as hardship areas and they included Laikipia, Makueni, Keiyo District, Manyani Prison Camp and Tinderet Division of Nandi District. The criteria for determining hardship conditions has remained the same over a long period. These include accessibility and availability of food, availability and accessibility of quality portable water, climatic conditions, availability of basic social services and amenities and transport and communications services.

In 1997, the Minister for Education, through Legal Notice No.534 of 11th November, 1997, gazetted additional hardship areas applicable to teachers only as recommended by the Teachers

Service Remuneration Committee. The recommendation was based on the fact that teachers work in more remote areas as opposed to civil servants who are mainly posted to districts and divisional headquarters only. The additional areas which are shown in Appendix 1 created disparity in areas and rates of hardship between civil servants and teachers. Teachers are paid hardship allowances at the rate of 30 per cent of an officer's basic salary, while civil servants are paid hardship allowance at the rate of 30 per cent of basic salary, subject to a maximum of Kshs1,200 per month, for married officers and Kshs600 for single officers.

[Mr. Deputy Speaker left the Chair]

*[The Temporary Deputy Speaker
(Mr. Poghisio) took the Chair]*

In an effort to harmonise hardship areas and the allowances payable to all public servants, an inter-ministerial task force was constituted. The task force listed various districts and came up with findings or observations, and recommended that the criteria for determination of hardship areas be redefined and areas designated as hardship be harmonised within the public service.

Mr. Temporary Deputy Speaker, Sir, there are financial implications in this issue. It was observed that an additional Kshs1.2 billion, per year, was required to harmonise the disparity between the teachers' and civil servants' rates. In this regard, my Ministry is liaising with the Ministry of Finance for additional funding. It is suspected that the required amount will be factored in the next financial year.

In conclusion, the intention of the Government is to harmonise the areas and rates payable to all public servants and eliminate the existing disparities. Owing to the remarkable strides made by the Government since Independence to equitably develop all parts of the country, areas initially gazetted as hardship should ideally reduce and not increase. It is not, therefore, justified to identify and gazette new hardship areas. I will now table the Report on the Review of the Hardship Areas and Allowances in the Public Service.

(Mr. Akaranga laid the Report on the Table)

Just to add on what I have said, I would like to ask hon. Members to peruse the Report before we come up with the final policy on the issue.

Mr. Billow: Thank you, Mr. Temporary Deputy Speaker, Sir. I thank the Minister for that elaborate Statement on hardship allowances. The issue has been affecting many public servants. As the Minister said, in 1969 hardship areas used to cover those areas which were referred to as the Northern Frontier District, including Turkana. The Minister was also very clear that the issue is about food, water, climate, social services and transport. It is interesting to note that the Minister admitted that there is no equitable distribution of resources to date. That is why there is no improvement, whatsoever, in hardship areas. So, instead of us reducing the number of hardship areas, the number is increasing. There is a general feeling among many civil servants that when one is sent to a hardship area, it is a punishment. The 30 per cent which is calculated to Kshs1,200 is not adequate. Could the Ministry consider cancelling the whole concept of hardship allowance because it is not adding any value to us, and instead replace it with rewards which would target adequate compensation in areas, particularly of hardship in housing and other needs, that are considered important to public servants?

The Minister of State for Public Service (Mr. Akaranga): Mr. Temporary Deputy Speaker, Sir, that is a good suggestion from the hon. Member. It is, perhaps, one of the feedbacks

which he should bring to the Ministry. When we are writing the final Report, we will see whether it is reasonable for us to introduce a reward instead of a hardship allowance, or if we should continue with it. This is not a final Report. I just decided to bring it here before we finalise it.

Mr. Munya: Mr. Temporary Deputy Speaker, Sir, there have been a lot of discrepancies and complaints regarding hardship allowances. For instance, you will find schools that neighbour each other, in the same education zone, with discrepancies. Teachers in one of the schools may be enjoying hardship allowances while those in the other school do not, yet the climatic conditions and the hardship environment is the same. I want to get clear guidelines on how the Ministry distributes the hardship allowance. Sometimes, hardship allowance is withdrawn from teachers in a school which has been enjoying the allowance. There is a school in my zone called Rumanthi, where teachers used to enjoy the allowance, but all of a sudden, it was withdrawn. What are the guidelines of giving the allowance? Do the rules change year after year? The Minister should give us a concrete explanation on that.

The Temporary Deputy Speaker (Mr. Poghismo): Mr. Munya, are you sure that happens from school to school?

Mr. Munya: Mr. Temporary Deputy Speaker, Sir, I have given a specific example. I have a school called Rumanthi in my area which last year, was enjoying hardship allowance but this year it is not. In fact, teachers are being deducted what they were being paid. In that particular zone, there are schools enjoying the allowance while others are not.

The Temporary Deputy Speaker (Mr. Poghismo): The Minister should take note of all questions and answer them together. **Prof. Oniang'o:** Thank you, Mr. Temporary Deputy Speaker, Sir. I am glad that the Minister gave that Ministerial Statement on hardship allowance which was introduced in 1969. When you look through the Report, you will find that it does not take into account the level of inflation we have had over the years. That is a mockery of what hardship allowance is supposed to be.

Secondly, could he tell us; now that we have HIV/AIDS, is there an allowance to cater for it? The issue of separation of families is also quite critical right now and I would like to know if the Government will include the issue of proper housing to make sure that families stick together.

Mr. Salat: Thank you, Mr. Temporary Deputy Speaker, Sir. I have been listening to details of the Report that has been tabled by the Minister. In the report, he implies that an inter-ministerial task force was constituted to visit various districts. Last year, I had asked a Question concerning the allowance, regarding two divisions in Bomet District. From the Report, Bomet is not mentioned. How come the inter-ministerial task force did not include Bomet District because we have two divisions that border Narok District, which is a beneficiary of the allowance, yet Bomet is not? That is why I had asked the Question. When I look at the Report that the Minister has tabled, Bomet District is not mentioned. What kind of work did the task force do?

The Minister of State for Public Service (Mr. Akaranga): Mr. Temporary Deputy Speaker, Sir, I will start with the last question. If Members go through the report and start questioning why particular districts were not included, without appreciating the criteria which the committee used, I do not think it would be fair to Kenyans. But as I said, this is a draft report. The Members can go through it and give us their feedback. We want to look at it. When we finalise the report, we want to come up with something concrete. Even the issues of HIV/AIDS, which hon. Prof. Ruth Oniang'o came up with, should be taken into consideration. It is important that hon. Members should go through the report critically, peruse it and give us feedback.

Hon. Munya asked about the criteria that was used. I had read out the criteria which includes availability and accessibility to food, availability of quality water, climatic conditions, availability of basic social services and amenities, transport and communication services and so on. So, the criteria used is well laid out.

The Temporary Deputy Speaker (Mr. Poghisio): But Mr. Minister, there was the issue that hon. Munya raised on one school benefiting and others from the same zone not benefiting. Is that going on?

The Minister of State for Public Service (Mr. Akaranga): Mr. Temporary Deputy Speaker, Sir, that is not a question I can answer now because I cannot verify that information. Hon. Munya has even visited my office and when we discussed about hardship allowance, he did not mention about the school. We should be honest with ourselves!

The Temporary Deputy Speaker (Mr. Poghisio): I thought we should be reducing the number of districts receiving hardship allowance instead of increasing. Why does everybody want to be on the list of hardship? What is happening in the country?

The Minister of State for Public Service (Mr. Akaranga): Mr. Temporary Deputy Speaker, Sir, that is obvious; when there is money, everybody wants money in their pockets.

Mr. Billow: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Minister in order to continue referring to the criteria used by the task force as a basis when indeed, Ndeiya in Kiambu is now listed as a hardship area? I think that criteria needs to be changed. Manderu and Ndeiya cannot be the same.

The Temporary Deputy Speaker (Mr. Poghisio): Order, Mr. Billow! You are going into argument. The only thing the Minister can do is to refer to a criteria and he cannot be out of order for doing that.

Mr. Lesrima: Mr. Temporary Deputy Speaker, Sir, there was a point raised by hon. Munya; that one school gets hardship allowance while others in the same zone do not, and I think those possibilities are there. At one point, I was in charge of this sector and I recall that there was a school next to Kabarak High School that was not getting it and, Mogotio, 20 kilometres away getting it. So, those issues are there and let us not sweep them under the carpet. I hope this joint task force will examine the issues of boundaries; at what point in particular do you qualify?

Mr. Munya: On a point of order, Mr. Temporary Deputy Speaker, Sir. It even appears that the task force itself did not do a thorough job because you can see here that Keynan Division is listed as falling in Nyambene District yet it is in Isiolo District. Furthermore, some divisions in Nyambene District used to enjoy hardship allowance, but now they are not there. Kiambu and Maragwa districts are also listed as hardship areas.

The Minister of State for Public Service (Mr. Akaranga): Mr. Temporary Deputy Speaker, Sir, for the two schools hon. Munya has mentioned, I am prepared to look into the issue further. To save the House's time, I would like to invite the hon. Member to my office so that we can go through the report with him and my Permanent Secretary so that at the end of the day, we are trying to solve a problem and provide a quality service.

The Temporary Deputy Speaker (Mr. Poghisio): Very well. I hope Members will look for the Minister and give their contributions so that this report can be acceptable. But I am still wondering why we are all seeking to be part of hardship instead of coming out of it.

MOTIONS

INTRODUCTION OF COMMUNITY SOCIAL ENTERPRISE BILL

THAT, being cognisant of the fact that the poor, especially women and other vulnerable groups suffer marginalisation in their struggle to have access to economic resources owing to the inequitable legal frameworks currently in place, and further aware that there is need to encourage investment and promote enterprise

in rural and urban areas targeting their vulnerable groups; this House grants leave to introduce a Community Social Enterprise Bill in order to provide entrepreneurial skills and financial support for these socially excluded groups.

(Dr. Ojiambo on 25.10.2006)

*(Resumption of Debate interrupted
on 25.10.2006)*

Mr. Lesrima: Mr. Temporary Deputy Speaker, Sir, I want to begin by congratulating hon. Dr. Julia Ojiambo for seeking leave to introduce the Community Social Enterprise Bill which encourages investment and promotes enterprises, particularly of vulnerable women groups. It is also very clear that, in this country, we have an inequitable legal framework. I could, in fact, venture to say that there is lack of a legal framework.

Mr. Temporary Deputy Speaker, Sir, as you are aware today what these vulnerable groups have in place are things like merry-go-rounds in urban centres. In rural areas, it is often the Member of Parliament who acts as a financial institution by providing direct cash transfers to various women groups. Most of them do not even have bank accounts, but they struggle to organise themselves to look for some kind of livelihood.

The other facility that has been in place are the *Harambees*. Leaders were quite often called to do *Harambees* to raise money for women groups. At one time, a lot of money was raised, but was stolen or misappropriated by some women leaders and hence the need for a legal framework. I know that somebody will say that we will bring the Microfinance Bill. As of now, I am not very sure whether the Microfinance Bill will take care of those issues.

Mr. Temporary Deputy Speaker, Sir, the other source of finance for these vulnerable groups has been small grants by the Ministry of Gender, Sports, Culture and Social Services which do not make any significant impact to the economic position of women in rural areas. We are aware that there have been other facilities that have been introduced one of which is the Kenya Women Finance Trust. Again, this organisation does not really reach the rural vulnerable women, or even those in urban centres or semi-elitist women. It is normally an arduous task between application and getting the loans. The same applies to other smaller microfinance organisations, like Faulu Kenya and Kenya-Rep Bank.

There was also an attempt to have a Poverty Eradication Commission which was introduced by the previous regime in 1999 and wound up by the current regime in November, 2003. These were revolving funds totalling to about Kshs200 million. My constituency received the final tranche in 2003. This revolving fund was managed by NGOs through the Provincial Administration but sub-contracted to NGOs. They worked extremely well by giving small loans to women. It is always the men who are at the forefront of taking advantage in terms of the formation of CBOs because the DC is always a man and the NGOs are also run by men.

When the CDF was introduced some of us had a lot of ideas regarding income-generating activities for women. Sadly, it turned out that it was not possible to utilise CDF resources to loan to women groups or even give them grants to conduct such activities, like small enterprises and dairy activities because the law that we passed in this House does not allow for any business enterprises. One or two hon. Members managed to go around it and I am told that some hon. Members have been able to buy lorries for their groups and cattle for dairy production. In one constituency, an hon. Member succeeded in putting in place a tractor hire service. Very often the CDF does not offer a lot of opportunity. We have women representation in this 15-member committee of CDF. The expectation of rural women out there is that the CDF should be able to support them. The best

some of us have done is to set up kiosks. In my constituency we have put up market stalls in an urban centre for the women to operate from.

Mr. Temporary Deputy Speaker, Sir, we have had discussions about the Youth Enterprise Fund. When you hear about the Youth Enterprise Fund, the impression you get is that of young men. You are aware of the difficulties the Minister is going through in putting a framework in place to operationalise this Fund. I get the impression that the Youth Enterprise Fund will be an elitist fund targeting educated people who are well placed to manage businesses. I do not see it reaching young ladies out there in the north and pastoralist areas.

We also had the trade loans facilities, which have been abolished. These were not very effective. The Community Social Enterprise Bill, which will set up community development ventures at the district level, really comes at an appropriate moment in Kenya. Our rural women play a major role in society. Very often they are the providers of food and school fees. In certain pastoralist areas they are the builders of homes.

Mr. Temporary Deputy Speaker, Sir, when you talk about *Jua Kali* what comes to mind is those men in the *Jua Kali* sector hitting *karais* and preparing vehicles. I think this institution will recognise the contribution women make in the *Jua Kali* sector. It is also important to note that there is lack of financial infrastructure out there. In the area where I come from, there is only one bank, that is the Kenya Commercial Bank, covering an area of 21,000 square kilometres. There are no other facilities in terms of financial infrastructure. This Bill provides an opportunity for setting up that kind of infrastructure.

This Bill also proposes business training. There is lack of business training in the rural areas. The ASAL women are the most vulnerable when it comes to economic development. There are opportunities out there for value addition to the livestock industry that exists in the ASAL areas. Where we have small slaughterhouse facilities, we should encourage enterprises such as hides and skins to enable women obtain leather products for making additional goods and trinkets.

Mr. Temporary Deputy Speaker, Sir, in the ASAL areas, we have natural resources-based products such as honey, minerals and medicinal plants. We have the Aloe plant which is used to make cosmetics. It would be encouraging to see businesses being developed along those lines.

With those few remarks, I beg to support.

The Assistant Minister for Lands (Mr. Kamama): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this very important Motion. I want to thank Dr. Ojiambo for coming up with this very important Motion. I would also like to thank her for coming up with the Cotton Bill sometime last year. I think this hon. Member has been very prolific in terms of coming up with important Bills and Motions. I hope she will be the person of the year, next year because I know Ms. Ndung'u was the person of the year this year. Last year we had Prof. Maathai who was awarded the Nobel Peace Prize. I think the female gender have been working very hard in this House.

Mr. Temporary Deputy Speaker, Sir, let me say that this country has many poor people in our urban and rural areas. We have so many young people from our rural areas trooping into this town to look for better life. This Motion addresses the problem of rural-urban migration. If we do not address the issue of rural urban migration, which has been a big issue over the last 30 years, we will not be able to manage our towns. Populations in our major towns will burst out. You all know what happens when we have large population explosion in towns.

I want to urge the Committee on Agriculture, Environment and Natural Resources to visit some of our poor areas. We know that Members of this Committee are fond of visiting big places such as horticultural farms and such other places. But I want them to visit places such as Korogocho, Dandora and Mathare to see the kind of poverty that is there. I am told that they see these places on television, but I want them to go right to those places to see for themselves the

degree of poverty in this country. This Motion will address problems of people living in our slums and pastoralists.

When you look at the financial infrastructure in the upper part of the Rift Valley, the upper part of Eastern Province and the entire North Eastern Province, you will find that most people in these regions have not benefited from the services of financial organisations such as the Kenya Women Finance Trust, Faulu Kenya and K-Rep. So this Motion will address the problems faced by pastoralists. As you all know, these people have been marginalised and just before Independence most districts in these regions were termed as "closed districts". You could only access them by having a pass issued by a colonial district officer. So, I hope this Motion will address the problems of people living in the ASAL areas. I hope that before that, the Government will look at the possibility of expanding the Agricultural Development Corporation (ADC). When people ask for money from this organisation, they are told to look for securities such as title deeds. But our people have only cows, camels and donkeys. So, I think character loans should be introduced in these areas. In that way, the banks will go to a chief for a curriculum vitae of a herder who wants to borrow money from it. I know that some herders are very good and do keep their word. So, if we have character loans, people in ASAL areas will be able to access loans.

People in these areas say money is in "Kenya", because some of them do not even know that they are in Kenya. When they are travelling from Moyale or Lokichoggio to Nairobi, they say that they are going to "Kenya". So, we want money to get to those areas.

There is also what we call the multiplier effect, or trickle down effect, in our economy. The only way we can disburse money to the very poor is by us supporting this Motion in order to make sure that a Bill is brought here, passed and assented to by the President.

Mr. Temporary Deputy Speaker, Sir, this Government has come up with a programme popularly known as the Youth Enterprise Fund (YEF). This programme has not taken off. We are told that this programme will charge interest of between 5 per cent and 6 per cent on loans. I still feel anything beyond 5 per cent is on the higher side---

Mr. Billow: But that is from the Government!

The Assistant Minister for Lands (Mr. Kamama): Mr. Temporary Deputy Speaker, Sir, protect me from Mr. Billow.

The Temporary Deputy Speaker (Mr. Poghio): Order, Mr. Billow! Mr. Kamama, address the Chair!

The Assistant Minister for Lands (Mr. Kamama): Mr. Temporary Deputy Speaker, Sir, we have offshore loans that are being given to the big guys in this country. Normally, offshore loans charge an interest of between 5 per cent and 6 per cent. The interest rates for the YEF should not go beyond 5 per cent.

I really encourage Dr. Ojiambo to get a lot of information from the Grameen Bank of Bangladesh. There is a gentleman who recently won the Nobel Peace Prize for assisting the poor in Bangladesh. That programme has gone down to the nook and cranny in that region. If this information is accessed, I am sure we will be able to come up with the best Bill that will assist the poor in this country.

Mr. Temporary Deputy Speaker, Sir, we have a programme under the Poverty Eradication Commission (PEC). I wish to differ with a friend of mine who said the PEC is doing a lot at the grassroots. This programme is not efficient. That money should be channelled either through the Constituencies Development Fund (CDF) or be given to a more competent authority to disburse. Right, now this money is being disbursed by DDOs through some NGOs. We are not feeling the impact of this programme.

Mr. Temporary Deputy Speaker, Sir, in entirety, I just want to say that this Bill has come at the right time when the Government is really interested in assisting the very poor in this country.

The Government has come up with very many policies. As early as last week, the Government came up with policies for the ASAL areas. The Government is very sensitive to the plight of the poor in this country. This Motion will be supported by hon. Members in the Opposition and those on the Government side.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I want to encourage Dr. Ojiambo to soldier on until this Bill becomes an Act. This will really assist our people.

I beg to support.

Eng. Nyamunga: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this important Motion. First of all, I would like to join my colleagues in congratulating Dr. Ojiambo for being mindful of the less fortunate members of our society by introducing this Motion.

The Motion is asking the House to grant leave to introduce a Community Social Enterprise Bill in order to provide entrepreneurial skills and financial support for these socially excluded groups. We are talking about a group which constitutes a very big percentage of the Kenyan population. This group has numerical strength and they are many compared to the fortunate members of the society. If you consider the women under this group, they are playing a very crucial role and taking care of the children and the youth of the Kenyan society. Unfortunately, that contribution is not even taken into account when we are doing economic analysis of this country. Whatever they do such as taking care of the children and going to the farms to work is not taken into account, it is ignored.

These people live largely in the rural areas of this country. It is, therefore, very important that we find ways and means of empowering them, so that whatever they do everyday contributes largely to the economic growth of this country. We cannot ignore them. If we were to put in place measures that will enable them to find gainful employment, we all can imagine the rate at which this economy would grow. For now, unfortunately, they are not empowered. Most of them wake up everyday and idle around because of lack of empowerment. If we empower them, they will contribute positively to the economic growth of this country.

Mr. Temporary Deputy Speaker, Sir, although this Bill will target both the male and female Kenyans in this group, I am very happy that the main target group will be the women. Sometimes when men make money, they do not direct it to the family. The immediate members of the family do not benefit from this money. However, if we empower our women, we can be sure that the immediate members of the family will benefit. We will improve the living standards of the children in our society.

Mr. Temporary Deputy Speaker, Sir, when we talk about the *Jua Kali* sector, when someone starts as a *Jua Kali* artisan one is not meant to stay at that level. The business is meant to grow until it becomes a medium-scale industry. The only way for us to make such programmes possible is if we get some level of funding that does not require security such as title deeds. We need to put in place the laws that will enable the *Jua Kali* artisans to improve from the level at which they have started until they grow. Maybe they may team up at some stage and go into medium-scale industries and even large-scale industries having started from a very small level. It is necessary that we put in place ways and means of making that growth possible.

Mr. Temporary Deputy Speaker, Sir, there are many Kenyans who wake up everyday and they wonder what they will do for the day in order to earn a living. The Bible is very clear on this, that we must eat from our sweat. When we put this law in place, it will enable this large percentage of Kenyans to earn from their sweat. Sometimes we are hard-working, but we are not facilitated to earn from our sweat. Most people end up as thieves or robbers because they do not have a way of earning from their sweat. I am very happy that when the House does grant leave, we will bring a Bill that will address those issues and make every Kenyan, when he or she wakes up, have a way of

earning a living from his or her sweat.

Mr. Temporary Deputy Speaker, Sir, we are all very excited about the Youth Fund. However, it has not started working because the necessary laws are not in place to make it work. However, you can be sure the youth are waiting for this money. When this Motion becomes a Bill, it will have a major training component in it. At the moment, majority of this target group is not aware of how to use this money, and even how to pay back. We must inculcate a culture of paying for the loans that are given. At the moment, majority of us think that when this money is given, we are not supposed to pay back. We must be in a position to have it as a culture that even if there is nothing required as a guarantee, say a title deed, we must be committed to pay back the money that we borrow so that others can also access credit. We must stop being selfish so that when I am loaned money, I must work day and night to return the money so that other people can also get a chance to access credit. Financial institutions are not in the business of selling people's property.

Even if you secure a loan using your furniture and so on, you must have it in your head that you must pay back the money. I am sure that the training that they are going to get will push that fact in their heads. As a person, make it a personal commitment to refund the money and stop looking for ways of evading payment. If you do that, somebody else will miss out.

Mr. Temporary Deputy Speaker, Sir, I have a dream. I am looking forward to the days when the young people of today will one day, 20 or 30 years from now, say: "The manufacturing industry you are admiring now started as a *Jua Kali* place somewhere in Gikomba, graduated into something bigger in Industrial Area and it is now a big enterprise manufacturing so many things." Kenya's industrialisation will have grown from what is small to medium and then to large scale. Even if it means teaming up, I believe that the training that they will get will include showing them how to work together. This will surely enable them grow from small-scale to large-scale.

Mr. Temporary Deputy Speaker, Sir, with those remarks, I beg to support this Motion.

Ms. Ndung'u: Thank you, Mr. Temporary Deputy Speaker, Sir. First and foremost, may I congratulate the Mover of this Motion, hon. Dr. Julia Ojiambo for her efforts, particularly in this Parliament. She has brought before this House Motions and Bills which have helped our people.

I stand to support this Motion because it is timely and well overdue. When we talk about providing financial support, particularly for poor women, I am always very happy. Women form 52 per cent of our population and yet they are still treated as second class citizens. This is especially so when it comes to accessing resources such as land title deeds and credit. Although women have to work twice as much as men, the way access to credit is structured in this country makes it very difficult for women to access loans.

Mr. Temporary Deputy Speaker, Sir, many banks have written or unwritten policies that make it incredibly difficult for women to access credit. There are banks that will insist that a woman should obtain the husband's permission. Others will require your husband's signature and if you are a single woman, they will ask of you to provide more collateral than they would ask of a single man or a married man. There are banks that will also look into possibilities of whether you will be marrying soon or the number of children a woman has. These are questions that they will not ask the male clients.

In other words, we have some banks which are very woman-unfriendly. It is high time women decided to deal only with women-friendly banks. Currently, I am working with an organisation that is doing research concerning bank policies that have been unfriendly to women. If, indeed, we can name and shame these banks, personally, I will lead a boycott by women and men who support non-discrimination against women against those banks.

Communities in the rural areas of this country have many roles which are changing. The traditional roles of men are ever-changing. You will find that women have now become the breadwinners of their homes. Roles are being reversed, but the rules for access to credit and other

resources have not been reversed.

I was reading in today's newspapers about a senior banker talking about how women are shy and afraid to take credit. I wish to state that this is not the position. Women are not afraid to apply for credit or to invest. That is why it is women, in fact, and not men who have organised merry-go-rounds. Women have also formed *vyamas*, that is, little groups formed for the purpose of pooling resources. I belong to several of these investment clubs and I can state here that they are doing very well. Women come together to pool their resources, thereby being able to invest or borrow money at a low interest. Some banks and financial institutions lend money, but they charge exorbitant interest rates which we cannot afford. Despite all these, we have been able to pay back our loans on time because we are so focused on our children and nurturing our families that we do not want to get into debts. This is proof that women make very good clients. This Motion by Dr. Ojiambo is the way to go.

Mr. Temporary Deputy Speaker, Sir, in Bangladesh, they had a similar kind of structure in which they introduced the Grameen Bank. It served so many poor women to access small loans and actually start community projects. That bank has been such a resounding success that the founder of that bank received this year's Nobel Peace Prize. If Kenyans really want to achieve the Millennium Development Goals (MDGs) and if we want to be the success story that Bangladesh is and win another Nobel Peace Prize, then this is the way to go. We need to finance our people, particularly those who are poor.

I am aware that the Government has some initiatives. Last week when I was sitting with some women groups and we were calling for a women's enterprise fund, the Minister for Finance was very quick to point out that the Government had already started some initiatives, for example, a Microfinance Bill that will soon be brought before the House, a rural enterprise programme, a SACCO Bill in the making and the Youth Fund.

However, the Government and the Minister for Finance in particular needs, to recognise that all these initiatives have gaps. If you talk about a rural enterprise programme, what will happen to the people who live in the urban poor areas? Are these people covered? If you talk about the Microfinance Bill, are you really talking about the *mama mboga* or are you talking about people who have a slightly better income? I think this Motion is targeting *mama mboga*, that is, the woman who requires Kshs400 or Kshs500. It is targeting the persons who are not able to pay interest rates of more than 5 per cent. Therefore, the Government must note the gap.

Even with all these initiatives they are establishing, they must be able to take care of the poorest people and apply affirmative action. Even if you look at the Youth Fund, it is wonderful. Indeed, it is an excellent idea, but what happens to Kenyans who are over the age of 35 years and would like to access funds for their business plans?

I would, therefore, like to urge the Government to implement this Motion as soon as possible.

With those few remarks, I beg to support.

Mr. Biwott: Thank you, Mr. Temporary Deputy Speaker, Sir. This Motion is very good because it is addressing a specific sector of our economy. In fact, it is addressing some people who must be reached. However, the Motion is vague because it talks about entrepreneurial skills and financial support.

If you look at the problem that is targeted at the moment, it is development of skills which, in my view, is empowerment. That is, indeed, happening as a result of various training sessions. With regard to financial support, this Motion does not state how it should be deliberately directed to those who are in need. If you look at all the efforts that the Government has displayed in the past, it has directed them to the *mwananchi*. The kind of person we are talking about here is a man or woman who is toiling at the grassroots. Also in this group are enterprising individuals who

cannot get support by accessing resources because of security considerations.

Mr. Temporary Deputy Speaker, Sir, you find that many attempts have been made to eradicate poverty. For example, the Kenya Industrial Estates (KIE) was aimed at promoting the entrepreneur and business development at that particular level. The Industrial Development Bank (IDB) was also supposed to target that. The Kenya National Trading Corporation (KNTC) was also supposed to target the people at that particular level but each time an effort is made, there is a tendency to forget about the mission and start new missions. So, we end up developing and then destroying institutions and not being able to---

The Temporary Deputy Speaker (Mr. Poghio): Mr. Biwott, just to interrupt you, I will be calling upon the Mover to reply at 11.30 a.m. So, you have about five minutes to go.

Mr. Biwott: Mr. Temporary Deputy Speaker, Sir, that is okay and I will condense my points.

Mr. Temporary Deputy Speaker, Sir, so I am saying this Motion is vague because it should be an affirmative action. It should be directed to the people we want. The Motion itself talks about the poor especially women and other vulnerable groups and then throughout its remaining part, it does not even mention a woman. It does not even mention that particular person; it generalises. I think we should say that this Motion should aim at developing a legal framework which will deliberately focus on the women, men and the youth as the vulnerable groups at the very bottom stage so that the law itself acts as an affirmative facilitator to direct and channel some of the resources like small and medium enterprise money and eco-tourism money directly to those people from any financial institution that exists in this country. They should be able to commit a certain amount of money towards that cause and define exactly the conditions under which those funds, resources, the necessary support and training programmes are to be acquired. I believe this will be done later on.

Mr. Temporary Deputy Speaker, Sir, so to me, I think we are talking about an empowerment which must be made affirmative so that those who are in need will get it. I know Bangladesh has attempted and created a system where they lock it by getting two or three people to guarantee one another. That is not enough. It has to be a mission in itself.

Mr. Temporary Deputy Speaker, Sir, due to shortage of time, I would like to support this Motion wholeheartedly and encourage the Mover who has already brought the Cotton (Amendment) Bill which is being implemented and will help the poor cotton farmers. The Bill should be developed in such a way that it acts as a deliberate legal framework which is aimed at locking into the affirmative action in order to help these people who are vulnerable and cannot access loans in a normal way.

With these few remarks, I beg to support.

Mr. Mirugi: Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity.

Mr. Temporary Deputy Speaker, Sir, I would like to support this Motion and also add that it is very important for this country to support small business owners. Further, in this respect, I am talking about the *mama mbogas* of this country. In my constituency, for example, there are a lot of women who are engaged in small businesses. It is my belief that someone who is able to eke a living out of less than one dollar a day is able to work for, say, five years and they are able to make profits. I believe that they have earned some knowledge of how to engage in small businesses. It is the obligation of this Government to encourage these small business owners to be the wealth creators of this country. They do not need grants or free money but only facilitation. If they can get soft loans at very reasonable rates of interest, they can be able to engage in business and also expand their small businesses. In that way, they will support others and create jobs for them. That is probably one of the best way we can eradicate poverty in this country. We should support the

small business owners by facilitating them so that they can be able to be job creators.

Mr. Temporary Deputy Speaker, Sir, the other aspect that I believe is very important, and I would like to thank the Government for the Youth Enterprise Fund, is to also try and reduce the interest rates. Yesterday, for example, I heard the Minister of State for Youth Affairs say that the interest rates will be between 5 per cent and 7 per cent. I want to appeal to the Government to reduce this interest rate so that more people can have access to these soft loans. In future, if we can have a women's fund, we can also be able to merge it with this Youth Enterprise Fund to be the small business enterprise fund for all Kenyans who want to engage in small businesses and expand them.

I beg to support this Motion.

The Temporary Deputy Speaker (Mr. Poghisio): I will now call upon the Mover to reply.

Dr. Ojiambo: Thank you, Mr. Temporary Deputy Speaker, Sir. Let me donate five minutes of my time to hon. Billow.

Mr. Billow: Thank you, Mr. Temporary Deputy Speaker, Sir and hon. Dr. Ojiambo for that gesture.

Mr. Temporary Deputy Speaker, Sir, while I support the Motion wholeheartedly, I think we are going about this whole business of fighting poverty or marginalisation the wrong way. If you look at the key issues underlined in this Motion which are marginalisation and inequitable resource allocation, investments and promoting enterprise and so on, what comes out clearly is that we have three fundamental problems that need to be addressed by this nation. This is because we cannot continue creating micro attempts or rather attempts to try and address issues on a micro basis. We have got Poverty Eradication Programme, another one called the Social Action Fund and the Youth Enterprise Fund. In my view, the most fundamental thing that we need to do to address poverty and eliminate this marginalisation in this country, is to address the issue of inequitable resource allocation in this country. Unless this Government or any future government is committed to equitable allocation of resources for development, there is no way we can get out of poverty and marginalisation. We will continue coming up with some half-baked decisions to the problems of under-development and marginalisation in this country.

Mr. Temporary Deputy Speaker, Sir, the second major issue is that when you talk about investment and promoting enterprise, one of the things that we need to do is to develop the country through infrastructure. For instance, in North Eastern Province which is one of the most marginalised, if there is infrastructure we will not be talking about marginalisation and promoting enterprise in that part of the country because the fact that we have roads, electricity, schools and water will mean that people will have an opportunity to trade, invest and to do all kinds of things.

Mr. Temporary Deputy Speaker, Sir, the other thing is; we passed policies in this House about the issue of small and micro enterprise like the *Jua Kali* sector. We said there was need to set up funds in the rural areas that will be accessible to Kenyans who may want to engage in micro enterprise. Those funds should be provided at concessionary rates by the Government. The Government has the capacity to guarantee those financial institutions in case those enterprises are unable to refund the money. That is what the government did in Indonesia and in all other countries that have done well.

The other point is that there is lack of prioritization of development in this country. Today, we were told that His Excellency the President came back from China with Kshs4.9 billion to renovate Kasarani Sports Centre. As far as I am concerned, coming from an area that is most marginalised, spending Kshs4.9 billion to renovate that stadium is not a priority. If His Excellency the President went to China and came back with that amount of money to build the road from Garissa to Mandera, that would develop that region and help millions of people who live in that region. That lack of prioritization continues to affect this country adversely. We always think about

ourselves. That will not help us.

Mr. Temporary Deputy Speaker, Sir, while speaking earlier on, an hon. Member from the Government side talked about investment clubs, *et cetera*. In the rural areas, where we come from, even an individual's potential to raise Kshs50 to buy a loaf of bread is not there, leave alone contributing to investment clubs. We have resources. Why should the Government provide only Kshs1 billion for youth development and demand that the money borrowed be refunded at an interest?

The Government can afford to provide Kshs5 billion annually to women and youth without even charging them interest or requiring them to refund it. As a country, we have the capacity to provide those resources. Why have the youths just demonstrated out there? We announced last June that we are going to give them Kshs1 billion. Almost six months down the road, we do not even know how to disburse that money. We have a Budget of Kshs600 billion with which we want to address poverty and marginalization, but we do not even know how to go about it.

Mr. Temporary Deputy Speaker, Sir, this country has resources. Our problem is one of prioritization. If you can afford to spend Kshs4.9 billion to repair a stadium, honestly, you can afford to give Kshs4 billion to women and youth in this country without any conditions, to enable them develop their capacities so that they can develop their enterprise and rid themselves of poverty. Those are the issues that we need to address.

I want to particularly thank Dr. Ojiambo for coming up with the Social Enterprise Bill. At the same time, it is important to inter-phase the issues that this Bill is seeking to address with the policies that the Government has in its Economic Recovery Strategy for Wealth Creation and Employment, and particularly about the Social Action Fund. The Fund has been proposed since 2003, but up to now, we have not seen any Bill brought to this House for legislation on the issue.

Mr. Temporary Deputy Speaker, Sir, in the Economic Recovery Strategy, the Government promised to create a Social Action Fund of up to Kshs12 billion to address the issues that have been raised here. It is important that some of those issues are addressed. I thank the hon. Member for donating part of her time to me.

I beg to support.

Dr. Ojiambo: Mr. Temporary Deputy Speaker, Sir, I want to take this opportunity to thank the hon. Members who have contributed to this Motion. I appreciate the very deep sentiments they have raised. I want to assure them that we have taken note of the very important issues they have raised. Those issues will form part of our continued discussion on this very important subject.

Mr. Temporary Deputy Speaker, Sir, it is clear from the contributions of hon. Members that there is need to deliberate, design development and implement a system that will help, rather than hinder, pro-poor economic development for this country. Prior to bringing the Motion to this House, we had interrogated the many speeches and policy papers that have been presented in this House on this issue. We looked at the programmes that are in place for the poor, youth and women, and we felt that there are still some gaps which need to be filled.

Through this Motion, we aim to introduce an investment culture in Kenya. We want to integrate the poor into economic activities. We want to release their aspirations and energy into the development activities of this country, in addition to what they are doing and what is in plan. For that purpose, we have looked at the current Economic Recovery Strategy for Wealth Creation and Employment Policy. We have also looked at the Finance Act, 2003, whose theme is wealth and investment creation.

Mr. Temporary Deputy Speaker, Sir, we also looked at what players in the informal sector are doing, particularly the *Jua Kali* artisans, the cottage industry players, hawkers, *mama mbogas*, and many others to whom reference was made this morning. We know that those people have a right to these possessions, because those are their economic activities and possessions. We also

know, and have discovered, that even their possessions have not been adequately documented. So, the Kenyans who participate in these activities cannot use their assets well enough to convert them into capital for their continued economic empowerment.

Therefore, it is important that we treat this Motion as a deliberate effort to introduce affirmative action to this activity. It is critical to address the issue of legal and regulatory framework, and access to finance by people in ASAL areas and other poor populations. It is important that these people access funds. We should, therefore, put the whole picture together and find a proper legal framework within which they can access the funds necessary for them to apply for their economic development.

Mr. Temporary Deputy Speaker, Sir, we are looking for a structure that will embrace the people's aspirations and bring whole communities into action. The structure we have in mind will be based on mobilisation of the communities and encouraging them to not only use their efforts, but also learn how to work with the resources they will raise, and pay back what they will borrow from the fund we intend to put in place.

As Mr. Biwot rightly said, through this effort, we intend to put together a fund to which communities will be party, so that they can manage it in their own stride, contribute to it and borrow from it.

Mr. Temporary Deputy Speaker, Sir, we hope that the Government will support this initiative, having spent a lot of money in other areas supporting efforts that have failed to take off.

With those remarks, I beg to move.

(Question put and agreed to)

INTRODUCTION OF PETROLEUM
(AMENDMENT) BILL

Mr. Ojode: Mr. Temporary Deputy Speaker, Sir, I beg to move the following Motion:-

THAT, taking into account the rampant poverty that has gripped many Kenyans; having regard to the fact that the pricing of petroleum products has been on a steep increase over the last couple of years; cognizant of the fact that any increase in prices on petroleum products affects the prices of almost all the commodities; and aware that arbitrary price increase on petroleum products only enhances the revenue of the multinational oil companies; this House grants leave to introduce a Bill for an Act of Parliament to amend the Petroleum Act, Cap.116, Laws of Kenya, in order to give power to the Minister responsible for matters relating to petroleum products to fix the maximum price in respect of sale of petroleum products.

Mr. Temporary Deputy Speaker, Sir, this is not something new. I do not think I will even bore my colleagues in regard to persuading them to pass this Motion. You are aware that since the petroleum sector was liberalized more than a decade ago, petroleum firms have arbitrarily raised fuel pump prices whenever crude prices go up. I just want to give my colleagues information about what we import in terms of tonnage. The domestic demand for various petroleum fuels stands at 2.5 million tonnes per year. This is mainly imported from the Gulf region as either crude oil or refined oil.

Mr. Temporary Deputy Speaker, Sir, for the last eight months, the Kenyan shilling has consistently strengthened against the dollar. The exchange rate has remained between Kshs70 and Kshs71 to the dollar. That gives importers real value for money, since crude oil is paid for through

the dollar. It means that the Kenyan shilling has given petroleum firms a huge boost and at the same time, cushioned importers from any issues arising from crude oil prices. The fluctuations are taken care of. Petroleum firms should have passed on this goodwill in order to trickle down to the consumers, but this has not been the case. The question we can generally ask is, why can the petroleum firms not pass the same benefits to the consumers whenever crude oil prices drop, or the exchange rate favours them? Why can it not go down to the consumers? This is the question we have been asking ourselves.

Mr. Temporary Deputy Speaker, Sir, just two weeks ago, the Minister for Finance tried to persuade petroleum firms to reduce their prices, and they said no. The reason why they were saying no is because they knew very well that the Minister does not have any powers to use in regulating or setting up pump prices. It is common knowledge that in any country, when you want to have economic growth, the energy sector must be regulated. When you effect the increase of pump prices of any oil product, you have affected the common man, including those who are poor, and the poorest are in the rural areas. I said before that petroleum firms lack confidence in the ability of developing economies to be steady now and in the future, despite 40 years of consistent, steady, progressive civilian and democratic rule. They think that the developing economies will fizzle out tomorrow and there will be a coup. So, they would want to make obscene profit margins. That is why they do not care!

Mr. Temporary Deputy Speaker, Sir, I have even been asking the petroleum firms to justify the increase of petroleum pump prices. For example, on Outering Road, there is a petrol station owned by BP Shell, and it is charging Kshs67.79 per litre of petrol. Why is it that the same company, with an outlet in town or on Mombasa Road, is charging Kshs82 per litre of petrol? That is why I have been saying that there is a cartel. Why should we have the same prices in Mobil, BP Shell, Total and Kenol/Kobil, if it is not a cartel? The same companies preach liberal economies, free market and free trade, yet they do not believe in them. The Government is not innocent either, because it has the capacity to rein in on oil marketers by purchasing crude supplies through the National Oil Corporation of Kenya (NOCK). The reason why NOCK was established was to give natural and market forces control, but they have failed. They were talking of loading arms; they were talking of the refinery being too expensive, but if, indeed, to refine crude oil is expensive to NOCK, the best they would have done was to ask the Government to subsidize the NOCK in order to remove the obsolete machines they are having. The refinery needs new machines and technologies in order for us to have cheap oil products. Why should we have kerosene retailing at Kshs67 per litre, yet it is a by-product? Why should we have diesel, which is also a by-product retailing at Kshs70 per litre? Why? These are some of the questions we are asking. They keep on saying: "We are not making any money". I will share with my colleagues here what these people are making, and I have researched on it.

Mr. Temporary Deputy Speaker, Sir, why should this Government keep on giving tenders to private firms to import oil on behalf of others? Why can the Government not give some subsidies to NOCK? That is the question we are asking. Why did we establish NOCK then? Why? When you go to Narok, you will find the price of unleaded fuel at Kshs68.99 or Kshs69.99 per litre. There are no loading arms or storage tanks in Narok. So, why should Narok charge less than what we are getting in Mombasa, yet the refinery is in Mombasa and the ship docks there? Mombasa is everything; it is the gateway! Why? For example, Nakuru is charging much less than what is being charged in Nairobi. I always say that there must be something wrong with our prices, and that is why I am requesting my colleagues that, if the Minister is given powers to set or fix maximum prices based on your invoice, then the oil companies will be tamed.

I understand that there is another Petroleum Bill which is coming. That Bill is drafted by the same multinational companies. So, I would like to urge my colleagues to pass my Motion in

order for us to tame these oil companies.

The Temporary Deputy Speaker (Mr. Poghisio): The Bill is drafted by who?

Mr. Ojode: No, Mr. Temporary Deputy Speaker, Sir. What I am saying is that, I understand that there is a Bill---

The Temporary Deputy Speaker (Mr. Poghisio): What is the difference between this Bill and the one you have at hand?

Mr. Ojode: No, Mr. Temporary Deputy Speaker, Sir, let me go on. I do not want to dwell on that.

According to the research I have done, all oil firms should be allowed to make a maximum profit of Kshs5 per litre. I have a tabulation which I want to share with my colleagues. The cost of importing super petrol, together with excise duty, road maintenance levy of Kshs5.80 and petroleum development levy of Kshs0.40 totals to Kshs26.095 per litre. In February, 2006, the cost of importing super petrol to Mombasa was Kshs35.23 per litre. The transportation cost was Kshs1.80 per litre. That gives us a total of Kshs37.030 per litre. If we add the delivery cost of Kshs1, it totals to Kshs38.030 per litre. The cost of super petrol in Nairobi, including all the taxes and expenses, is Kshs63.125 per litre. The pump price at that particular time was Kshs74 per litre. Now, it is Kshs80. That means that the profit margin which the Shell Company is getting is Kshs10.875 per litre. There is nothing wrong for an oil company to make a profit of Kshs5. Given that small traders are making a profit of Kshs2.50 per litre, why should the Shell Company make a profit of Kshs10.875?

Mr. Temporary Deputy Speaker, Sir, the excise duty on diesel is about Kshs10.35 per litre. If we add the road maintenance levy, petroleum development levy and all the other taxes, diesel will cost us Kshs16.50 per litre. The cost of importing diesel to Mombasa in February was Kshs34.30 per litre. If we add the transportation cost of Kshs1.80, we get a total of Kshs36.10 per litre. If we add the cost of delivery to Mombasa town, it will come to Kshs37.10. The cost of diesel in Nairobi, including taxes and other expenses, is Kshs53.54 per litre. The pump price for diesel as at February, 2006, was Kshs64 per litre. So, the profit margin the petroleum companies made was approximately Kshs10.50 per litre. At the moment, the cost of diesel is Kshs67 per litre.

Mr. Temporary Deputy Speaker, one month ago, the oil companies tried to hoard this commodity with a view to increasing their prices. What is it that we, as a country, can do to control prices of fuel? We must do something. For example, in South Africa and the United States of America (USA), fuel prices are regulated. It is important for us to think of ourselves as a country. The majority of those who own these multinational oil firms are non-Kenyans. They do not care what happens to Kenyans. If we brought in new machines to our Mombasa oil refinery plant, I will have losses here and there.

The cost of transporting commodities is high. The people who do casual jobs in Industrial Area, for example, cannot afford transport costs. They have to walk long distances to their work places. If we increase the cost of any oil product, we will affect the majority of Kenyans. Our forests have been depleted because there was uncontrolled logging. We must regulate and tame these petroleum companies. They knew that the Minister does not have powers to do so. But when this Motion is passed, they will tow the line. They will go back to the drawing board and check themselves. This is because the Minister will have the powers to set the maximum prices and fix them.

Mr. Temporary Deputy Speaker, Sir, you spend up to Kshs10,000 on fuel to travel to your constituency.

The Temporary Deputy Speaker (Mr. Poghisio): Order! The Chair has no constituency!

Mr. Ojode: Mr. Temporary Deputy Speaker, Sir, I was just giving an example.

Only five companies control 83 per cent of the fuel market. The Total Oil Company leads

with 21.90 per cent, followed by Kobil at 18.40 per cent. Shell/BP Company controls, 17.1 per cent. Chevron controls 16.6 per cent, while Mobil Company controls 8.4 per cent. The rest of the companies control about 17 per cent. We need to encourage the independent oil companies because they employ the majority of our work force.

If anyone disputes the fact that there are cartels in the oil industry, why is it that the multinational oil companies charge almost the same prices on fuel? If you drive along Mombasa Road, you will realise that the oil prices are more or less the same all through up to the airport. The same applies to Hurlingham, Forest Road and many other places. Why is this the case if there are no cartels?

I urge my colleagues to pass this Motion so that we tame these companies. That will enable the Minister to set the oil prices. Recently, he zero-rated the Liquefied Petroleum Gas (LPG). I also, in the same vein, urge him to reduce some of the Government taxes charged on fuel, so that our people can afford it. Recently, the Road Maintenance Levy was increased. However, most roads are in a deplorable state. In my own constituency, the Rodi Kopany/Karungu Road is impassable. Most other roads also are impassable.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to move and ask Mr. Maore to second the Motion.

Mr. Maore: Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to second this Motion and ask hon. Members of this House to allow the introduction of a Bill that the Government has been reluctant to introduce for quite some time. This Bill would allow an opportunity for Parliament to intervene, on behalf of Kenyans, and rescue them from economic sabotage by profiteering cartels of the oil industry. These cartels do not care about what happens. They only care about their bank accounts!

Mr. Temporary Deputy Speaker, Sir, there are those of us who believe in a liberal economy. It is possible to liberalise an economy, but not an essential commodity like oil.

Mr. Temporary Deputy Speaker, Sir, you will find that all over the world, bank interest rates and oil prices worry and cause sleepless nights to every caring government. However, ours is held hostage by cartels in the banking and oil industries. These are controlled mostly by multinationals.

In the previous Government there were concerns that a few individuals were involved in the oil industry. Maybe, this current Government should have a chance of reining in these profiteering cartels. However, its members are also keen to own banks, and have some interest in the oil industry. Therefore, they are not keen to rescue the public.

Mr. Temporary Deputy Speaker, Sir, Monopolies and Restrictive Practices Act, which talks about unfair trade practices, just exists in writing. Every now and then, you will hear the Minister threatening to invoke it. If you ask him why he does not do so, he will whisper to you, along the corridors, how powerful these people are. What we are facing now is a situation similar to what is in the biblical world, where it is prophesied that one day the lion and the lamb will lie together without harming each other. The Government would like to unleash on Kenyans the oil cartels and assume they have no teeth to bite them. It is high time the Government reined in these cartels as a matter of national and economic security.

Mr. Temporary Deputy Speaker, Sir, you will find that in the entire Common Market for Eastern and Southern Africa (COMESA) region, it is not possible for our county to have any competitive product just because of one sector; that is the energy sector. You will find that the cement produced in Kenya cannot compete with that produced in Egypt. The reason? The cost of energy! It has made it impossible for any of our products to be competitive in this region as a whole. Why should we have cheap energy in countries around us which do not produce oil, and yet in Kenya its cost is so high? This is the situation, yet Kenya is the point of entry to Uganda,

Burundi and Rwanda. This is a problem that we should worry about. It is important for this House to arise and support the introduction of a Bill to introduce price controls.

Mr. Temporary Deputy Speaker, Sir, it is possible to have fixed prices; for example, minimum and maximum prices, such that whatever prices you declare in your invoices when you are importing crude oil or refined products, you should not charge beyond a certain percentage. If, for example, you are importing one litre of oil, you should not be allowed to make 100 per cent profit because you would be sabotaging the economy. If we are worried about the economy, we should contain this behaviour.

We liberalised the oil industry, just like the banking industry, a few years back. But upon reflection, you will find that the behaviour by the oil industry has not been liberalised. It would be liberalised if, whenever people import goods, they sell them at a price which they feel is appropriate for them, but not where there is uniformity, as the Mover has clearly put it.

Finally, when we invoke the Monopolies Act, we should also have fall-back position whereby the Government makes a deliberate effort of financing or getting a partner to put up money to the National Oil Corporation of Kenya (NOCK), so that NOCK could even have been empowered to buy the BP Oil Company when it was being sold early this year. Instead of allowing the Shell Company to acquire BP, the Treasury could have raised the required amount of money to buy the company and have many outlets than the few outlets that Shell has now. The Government needs to put its money where its mouth is if we have to strengthen our economy or have control over our economy. Let us have an expanded NOCK, which could maintain strategic reserves that we force even private companies to maintain. We can do this with our money and make sure that the prices are not exploitative to our public.

Mr. Temporary Deputy Speaker, Sir, there is also no seriousness in the Government in some of the strategic sectors like this. For example, we have had an acting Minister for Energy for now nearly ten months. Planning and energy are two enormous dockets and you cannot have one Minister running both of them. Then you end up with civil servants running the Ministry, but without anybody to run the policy bit. They are implementing things that they do not know, but, just by the grace of God, the country is rolling on its own. We need to see some action and the best way to start is by bringing this Bill to the House, maybe, early next year. Between now and the time the Bill will be published, the oil industry should behave, so that by the time we will be passing the Bill, we will see sense in what they will be doing and also slow our action. For the time being, we should not trust the international oil cartels that have destroyed and caused havoc in our economy.

With those few remarks, I beg to second.

(Question proposed)

The Assistant Minister for Health (Dr. Kibunguchy): Thank you, Mr. Temporary Deputy Speaker, Sir. I also rise to support this Motion before us, and say a number of things. First, as we are all aware, fuel prices have literally hit the roof. As the Motion rightly puts it, once fuel prices go up, virtually prices of all other products go up. Even though the world crude oil prices are steadily falling, oil companies in this country have not found it prudent, and are not mindful of the welfare of the majority of Kenyans who are poor, to lower the prices of petroleum products in tandem with the falling crude oil prices. In that kind of situation, as legislators and the people who represent Kenyans, we have no option but to use the power given to us to control the prices. Oil companies are behaving like cartels, which completely contravenes the spirit of competition. I have no doubt that oil companies in this country are working as a cartel to fix prices. As legislators and as a Government, we have no option but to step in and introduce oil price controls.

I have always said that it was premature to liberalise markets of products that affect the

welfare of the common *mwananchi*, for instance, the prices of maize, wheat, and oil. We find that in such situations, it is those kind of things that make the poverty levels to keep rising. As we talk about poverty in this country, we should know that close to 60 per cent of our people live in absolute poverty. It is incumbent upon us, in this House, to put measures in place that will protect the majority of our people who live in absolute poverty. I would like to ask the Minister, whom I cannot see here, to move with speed and bring the amendment.

The Temporary Deputy Speaker (Mr. Poghisio): By the way, do we have somebody from the Ministry here? Do we have any official responder from the Ministry?

Anyway, proceed, Dr. Kibunguchy.

The Assistant Minister for Health (Dr. Kibunguchy): Thank you, Mr. Temporary Deputy Speaker, Sir. I hope they will look at the HANSARD. They should move with speed and bring an amendment to the Petroleum Act so that we can do what I think is only right at the moment; to introduce price control and protect the majority of our people who live in absolute poverty. I will go further to add that we need to introduce price controls on maize and wheat, because those are industries that will protect the majority of our people who are poor.

Finally, I would like to say one thing about the fuel levy. I know that the Minister said--

Mr. Boit: On a point of order, Mr. Temporary Deputy Speaker, Sir. We are discussing a Motion, and yet the Leader of Government Business is not in, and the Minister or the Assistant Ministers are not in. Are we talking to ourselves? We need your guidance on this issue. I am sure the Mover is quite in order.

The Temporary Deputy Speaker (Mr. Poghisio): Order! What you are raising could be raised at a different level. We are basically debating this Motion, hoping that somebody from the Ministry responds. Actually, in the last Motion that we have just passed, there was no official Government Responder. We expect that the Order Paper reached the offices last evening and they are aware. We are still waiting, hoping that there will be somebody to respond. It is a Private Member's Motion and it is provided that the Government Responder be given a chance. Dr. Kibunguchy is speaking as the Member for Lugari.

The Assistant Minister for Health (Dr. Kibunguchy): You are very right, Mr. Temporary Deputy Speaker, Sir; I am speaking as the Member for Lugari.

Finally, I wanted to say something about the fuel levy and the money that goes to each constituency for making roads. Again, I think it is a bit disturbing for Members of Parliament that we passed a Motion that this money should be combined together with CDF so that we can manage it, but up to now, this has not been done. It is something that causes a bit of concern, especially to the residents of Lugari Constituency, because we feel that we can manage this money better once it is in the CDF kitty. As long as it is being managed by the District Roads Committee and their engineers, we do not see much of what this money is doing. Even as much as the Minister has increased the fuel levy a little in the Budget, we feel that unless this money can be managed under various CDF's, the intended purpose may not be achieved. This is the reason why we must voice our concern, that as much as we are grateful to the Minister for Finance for increasing the fuel levy, this might probably not achieve what it was meant to.

Mr. Temporary Deputy Speaker, Sir, the mood in the country now, when you walk everywhere, is that very soon, Kenya might discover oil. I would like to go on record as saying that, immediately we discover oil, that money should be utilised in fixing all our roads in this country. This is one area that I think the Government has not done very well.

With those few remarks, I beg to support.

Mr. Odoyo: Thank you, Mr. Temporary Deputy Speaker, Sir. I wish to add my voice to those hon. Members who support this Motion. I believe that petrol affects our lives far beyond an ordinary commodity. In addition to affecting transport, petrol affects the poor, especially those who

use kerosene. Petrol increases the prices of transportation. Today, a worker in Nairobi spends almost 40 percent of his or her income on transport. The figures given by Mr. Ojode of our workers coming from Mathare and Kibera are true. Most of them would rather prefer to walk to their places of work, leading to loss of man-hours because they get to work late, day in, day out.

If you look at the kind of goods that the poor spend their money on, you will find that energy consumes a large chunk of that budget. Many of the urban poor use kerosene and charcoal. When the price of kerosene rises, as it has been doing for the last five years, the poor in Kenya get poorer. We must protect the majority of Kenyans who live below the minimum standard of living. Time has reached for this House to take concrete steps towards addressing those issues that affect the majority of Kenyans.

One of the issues affecting Kenyans is energy. The regulating capacity that has been put on energy is not correct. The regulating regime is false. The Minister has little powers under the so-called regime of liberation. Open markets do not work anywhere. My colleague, Capt. Nakitare, who is a farmer, knows that in the USA, they control the prices of wheat, sugar and all the basic commodities that affect the common man. In Kenya, kerosene affects the common man.

I would like to give some advice to the Government. First and foremost, we need to have a regulating authority that does some work on the petroleum sector because it is controlled by foreigners. There is only one Kenyan-owned company, which is Kobil. Kobil controls less than 15 percent of the market. The bulk of the processing money goes outside. The Government spends most of the money meant for foreign exchange on energy. Many a time, the control of the petroleum sector by foreigners has meant that our Government has been blackmailed day in, day out. Time has come for us to ask our Government why we do not have a company controlled by Kenyans having a majority stake in the market share of the petroleum industry, so that we are able to control some of these costs that are being passed on to the poor. We are getting poorer and poorer, while the "seven sisters" or as hon. Ojode called them the "five sisters" in the oil industry, are getting richer and richer by the hour.

The Temporary Deputy Speaker (Mr. Poghisio): Time up!

Mr. Odoyo: Mr. Temporary Deputy Speaker, Sir, because the time is short, let me add my voice that may the good senses of all hon. Members do something about Kenyans.

I support this Motion.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Poghisio): Hon. Members, it is time for the interruption of business. This House, therefore, stands adjourned until this afternoon, at 2.30 p.m.

The House rose at 12.30 p.m.