

NATIONAL ASSEMBLY

OFFICIAL REPORT

Ninth Parliament - Sixth Session

*(Ninth Parliament established by Proclamation -
Legal Notice No.8 of 24th January, 2003)*

Tuesday, 20th March, 2007

STATE OPENING OF A NEW SESSION

*The National Assembly met at Forty minutes
past Two o'clock at Parliament Buildings
on Tuesday, 20th March, 2007, it being
the first day of the Sixth Session.*

ARRIVAL OF HIS EXCELLENCY THE PRESIDENT

*[His Excellency the President (Mr. Mwai Kibaki),
escorted by the Speaker and accompanied
by the Mace of the National Assembly,
entered the Chamber at Three o'clock]*

*[His Excellency the President
(Mr. Mwai Kibaki) took the Chair]*

*(The Mace of the National Assembly
was placed on the Table)*

PRAYERS

Mr. Speaker: Your Excellency, hon. Members, may I call upon the Spiritual Leaders to offer prayers for this new Session.

*(Prayers were then said by the following:
The Rt. Rev. Archbishop Benjamin Nzimbi;
His Grace Archbishop Raphael Ndingi
Mwana a' Nzeki; The Rev. Dr. David M. Githii; The Chief Kadhi Sheikh Hammad Kassim and
Mr. Siopin Lekoolool)*

COMMUNICATION FROM THE CHAIR

WELCOME TO HIS EXCELLENCY
THE PRESIDENT

Mr. Speaker: Your Excellency, on behalf of all hon. Members, I wish to take this opportunity to warmly welcome you to this august Assembly of the Leadership of the Kenyan nation on this auspicious occasion of the Official State Opening of the Sixth and last Session of the

Ninth Parliament.

The last Session of Parliament is the home-stretch in the national political playing field. There will be a scramble to score political points both at individual and at party levels. Everybody wishes to win. This is expected in any contest, but politics is not just another contest. It is a very high stakes contest with great prizes and also devastating consequences.

Your Excellency, hon. Members, the existence of a stable nation is dependent on the way our political contests are conducted. As we inch towards the forthcoming general elections, we must keep in sight the stability, unity and the wellbeing of our people.

Hon. Members will, in the course of the Session be called upon to deliberate upon various issues. Some of these will be ordinary, others may even be parochial. There will also be issues of extreme national importance. We must be able to distinguish between issues that are of national importance and those that are partisan. Partisan issues are fair game for political posturing. Indeed, they should be. But matters of national importance should bring us together in the greater interest of our society. Whatever the issue, and in spite of the high political fever likely to be generated by the looming elections, we must be sober, courteous and civil in our deliberations. The Kenyan people expect no less from us. This calls for observance of all rules of debate and etiquette. The Chair will ensure strict compliance of the same.

In the last four years the House has, through its Commission, implemented several programmes to improve various aspects of service delivery to its Membership and staff. We have increased office space through the acquisition of rental space at Harambee Plaza. The library and Research Department will be housed there.

Security surveillance through hi-tech equipment is nearing completion. Recently, the Head of Research, Head of Fiscal Analysis and the Chief Legal Counsel have been employed. We have also appointed a Senior Deputy Clerk to co-ordinate and oversee the general administration of Parliament. We have also launched our website to enable easy access to Parliamentary affairs and to make it more open to the general public.

Your Excellency, the Standing Orders of this House derive their authority directly from our Constitution. The Standing Orders are made by the House to regulate the manner in which the business of the House is conducted. At the tail end of each Parliament, a review of the same is done. In the recent past, much debate has focused on the relevance and efficacy of the Standing Orders. For that reason, and in keeping with tradition, I have appointed a Sub-Committee of the Standing Orders Committee chaired by my Deputy hon. David Musila, to do a thorough review of the Standing Orders and make recommendations to the main committee which will in turn table the same for deliberation by this House.

Once adopted, those will be our Standing Orders and every hon. Member will be bound by them until subsequently amended. In the meantime the Standing Orders now in force will continue to regulate the business of the House with all their rigour. Any society without rules or which discards its rules is a chaotic society.

Your Excellency, hon. Members, I have in the past talked about modernising this House through changing its interior design, introduction of live broadcast of the House and its committees proceedings and introducing electronic voting. Towards that end, the Parliamentary Service Commission commissioned a design competition and sought and obtained all the relevant bills of quantities. Indeed, we tendered for the project. Like anything else involving money in Kenya, it elicited vigorous opposition both internally and externally. Unfortunately, we have had to defer this matter to be dealt with by the next Parliament.

It is a matter that I truly regret as I truly believe that this House should not lag behind in what is happening worldwide. That is the reality of life as of now obtaining in Kenya today!

Another issue that I would like to address now is the fallacy that is often hyped upon which

is that hon. Members do not work. I wish to state from the Floor of this House, and with a straight face, that the vast majority of hon. Members are actually overworked!

(Applause)

They attend to the business in the Chamber, Committees of the House, their constituencies and constituents. They represent the House and the country in conferences and seminars. They oversee and help in the design of CDF and other projects. All these, in addition to being Father Christmas at birthday parties, pre-weddings, hospital bills and burials!

Your Excellency, if this is not work, I do not know what work is!

Your Excellency, I have earlier on enumerated the various projects that we have undertaken or are undertaking. All these would not have been possible without your active support. Every issue that I have had to raise with Your Excellency in the last four years, has received your full and undivided support.

(Applause)

For this reason, I, personally and on behalf of the House, wish to thank Your Excellency most sincerely for being very supportive of this House. I know you understand and appreciate the value of a functional multi-party parliamentary democracy. This is what we, all together, must strive to achieve for the benefit of our posterity.

(Applause)

I wish, therefore, to place on record that in doing all these things that we have done to develop and cultivate a working multi-party democracy in Kenya, you have been in the centre of it; you have been in the forefront. It is now my humble and pleasant duty and privilege to welcome Your Excellency to address the House and inaugurate the last Session of this Parliament.

Thank you.

(Applause)

His Excellency the President (Mr. Kibaki): Thank you, Mr. Speaker.

Mr. Speaker, ladies and gentlemen, it gives me great pleasure to welcome hon. Members to this Sixth Session of the Ninth Parliament. The recess provided an opportunity for hon. Members to spend time with their constituents and understand their needs.

The laws that we have passed and enacted in the last four years form the basis on which Kenyans can realise the dream of a well-governed country that is prosperous, just and equitable. In this respect, some of the laws this House has passed during the last four years include legislation providing for anti-corruption and economic crimes, public financial management, privatization, procurement and disposal of public assets, and the public officer ethics. These have raised the level of prudent management of public resources to unprecedented heights.

Parliamentary watchdog and oversight committees have been vigorous and thorough in discharging their mandates. In doing so, they have raised the level of accountability to commendable standards. On its part, the Government has pursued a policy of open and transparent conduct of public affairs. We have used the Internet in making available a substantial amount of information to the public on various matters such as the Budget, national statistics and ministerial policy blueprints. As a result, we now have a better informed public and close scrutiny by the

media and civil society.

Mr. Speaker, the future of this country rests on its children who must be nurtured, educated and trained to prepare them for all the challenges of nation building. It is in recognition of the critical role of our children in the future of this country that my Government undertook to promote free primary education despite the overwhelming odds.

Today, we have more than 7.6 million children in primary school compared to 6.1 million in 2002, and over 928,000 in secondary schools compared to 778,000 five years ago.

Educational reforms implemented by my Government have increased primary school enrolment to over 83 per cent with the target of achieving 100 per cent enrolment by 2007; namely, this year. The transition from primary to secondary school has risen to 60 per cent this year with the target of achieving 70 per cent next year.

Given the success of free primary education, the Government will be focusing more attention on secondary school education which provides the critical mass for the technological advancement of this country.

(Applause)

In this respect, the Government is encouraging establishment and equipping of day secondary schools in order to make secondary school education more accessible. I call on hon. Members to accord priority to the establishment and expansion of day secondary schools and day streams in boarding schools in the allocation of the Constituencies Development Fund (CDF). Furthermore, the Government is developing a policy framework to make secondary school education affordable. In this regard, we will be announcing the measures that the Government will be implementing in the near future.

Mr. Speaker, Sir, the well-being of a society depends on the socio-economic status of its women. When we educate girls, we change the entire society, which is why we are encouraged by the achievement of gender parity in primary schools in most corners of the country. By investing in education of these girls, we expect better outcomes in child mortality, child health, reduction in teenage pregnancy, early marriages and maternal mortality. For now, we are deliberately pursuing the affirmative actions I announced last year. We will continue to reserve a minimum of 30 per cent of all new public service jobs for women and integrate Maendeleo ya Wanawake in the constituency level committees.

Further, my Government is aware that the majority of hawkers and informal sector employees are women and we, therefore, intend to establish a Women Enterprise Development Fund later this year.

(Applause)

With regard to the newly launched Youth Enterprise Development Fund, my Government has already released the first disbursement of Kshs210 million to all constituencies while the balance of Kshs790 million will be disbursed through other financial intermediaries.

These efforts have two essential objectives. The first is to provide seed capital to youth and women in small businesses who would otherwise not receive support from any other source.

The second is to grow a generation of solid young businessmen and businesswomen who can generate income and create more employment opportunities.

Mr. Speaker, Sir, the regional differences in natural endowments, and social and economic infrastructure have resulted in regional inequalities. My Government has, therefore, continued to channel substantial resources to the grassroots level through various devolved funds to finance development projects of the people's choice. Through the Constituencies Development Fund

(CDF), for example, we have in the current Financial Year, allocated Kshs10 billion to be disbursed to all constituencies in the country. We have also allocated Kshs7.5 billion to the Local Authorities Transfer Fund (LATF) and a further Kshs10 billion for the District Roads Committees (DRCs). These funds, together with the Constituency HIV/AIDS Funds and Bursary Fund are transferring considerable sums of money to the grassroots. In addition to the devolved funds, we are also undertaking regional integrated projects for regions that require urgent affirmative action due to past neglect.

Over the last four years, for example, the Government invested Kshs12 billion for the development of the arid and semi-arid districts in northern Kenya. My Government is now in the process of formulating an economic recovery programme to cover all districts of the Coast Province. Already, initial estimates show that the Government has spent Kshs8 billion on the completed projects in the Coast Province in the last four years. The projects cover a wide range of activities intended to spur economic growth, reduce poverty and increase employment opportunities.

Mr. Speaker, Sir, with respect to rural electrification, the Government has over the last four years implemented the most ambitious programme to provide electricity to our rural communities and stimulate the growth of small-scale businesses in those areas. We have, in this regard, allocated more than Kshs7 billion for rural electrification in the last four years alone, compared to a total allocation of Kshs6 billion between 1963 and 2003.

Mr. Speaker, Sir, sustained prudent fiscal and monetary policies in the last four years have resulted in lower interest rates and a stable exchange rate, providing a conducive macro-economic environment for investment. All these short-term interest rates were lower in June, 2006 than in June, 2005 and much lower than they were five years ago while Government borrowing from the market remains modest. Inflation has also been managed to enable relatively stable underlying rate of about 5 per cent.

Income, corporate and Value Added Taxes (VAT) have largely remained unchanged, while most tariffs have been substantially reduced. My Government has consistently reviewed and revised laws and regulations to make doing business in Kenya easier and more friendly. As a result of these predictable, consistent and stable policy measures, business confidence is at an all time high among local and international investors. Private credit to the transport and communications sector is up by 33 per cent, while credit to the building and construction sector has increased by 38 per cent.

Foreign direct investment increased to nearly Kshs80 billion last year, while the overall economy is estimated to grow by a minimum of 6 per cent for the year 2006. Several sectors and industries continue to post impressive growth rates. For example, tourism last year earned Kenya Kshs56 billion from 1.8 million visitors, horticultural export earnings rose to Kshs44.9 billion in 2006 from Kshs38 billion in 2005. Maize production increased to 38 million bags in 2006 from 32 million bags in 2005. The dairy sector grew at an impressive 24 per cent with estimated earnings of over Kshs70 billion.

The communications sector saw impressive growth with over 7 million mobile phone subscribers. We will soon have one in every four Kenyans connected by mobile telephony. Similarly, cement production went up by 7.8 per cent, electricity consumption grew by 6 per cent, and consumption of fuel went up by 7.5 per cent. These trends of rapid and sustained growth can be seen across all sectors, showing that the economy has fully recovered. However, to achieve even higher rates of growth, some short and long-term measures are required to enable our producers, manufactures and service providers achieve higher levels of productivity.

Mr. Speaker, Sir, with regard to agriculture, my Government will increase the capacity for our national food reserves by one million bags of maize from three to four million bags and 2,000

tonnes for dried milk. We, therefore, plan to spend an additional Kshs1.8 billion to purchase maize and Kshs600 million to buy milk from our farmers this year.

The fishing sector is also a major contributor to employment, food security and export earnings. The sector employs 60,000 people directly and 600,000 indirectly along our lakes and coastal shoreline. With regard to Lake Victoria, my Government has connected power to 20 fish landing sites, with work currently underway at two other sites. We are also assisting local fishermen to form co-operatives.

Mr. Speaker, Sir, to sustain economic growth at 6 per cent and above per year, we will need to save and invest much more of our incomes that we are doing now. Savings and Credit Co-operative Societies, pension schemes, retirement benefits schemes, the National Social Security Fund (NSSF) and the National Health Insurance Fund (NHIF) are critical instruments for the mobilisation of savings. We will, therefore, be providing better policy incentives and regulatory frameworks to effectively use these savings to accelerate the country's economic growth.

Mr. Speaker, Sir, the provision of quality physical infrastructure is critical to increase the economic growth rate from 6 to 10 per cent per year within the next five years. To expand the country's infrastructure base and make Kenya the most competitive country in the region, my Government will develop new financial instruments to fund infrastructure development by mobilising domestic resources. These include public-private partnerships and infrastructure bonds that will provide additional resources for investing in roads, electricity, water, ports, airports, railways and telecommunications.

These measures will increase our capacity to finance and implement our infrastructure projects and provide programmes in a more timely fashion. For instance, it takes a minimum of three to four years to progress from inception to the ground-breaking for road projects financed through development assistance compared to one year for a road project financed from domestic resources.

(Applause)

Mr. Speaker, Sir, we are formulating the Vision 2030 as the basis for our medium to long term growth strategy. The Vision is projected to provide immediate and long-term measures to raise economic growth from the current 6 per cent to an average of 10 per cent during the next 25 years. The Vision will be anchored on a strategy based on high and sustained economic growth, promotion of social justice and equity, and entrenchment of issue-based and accountable politics. The process will be all-inclusive and will culminate with a Sessional Paper that will be tabled before this House later this year.

Mr. Speaker, Sir, the Vision strategy will also accord high priority to manufacturing, value added agricultural production, tourism, finance, wholesale and retail and business process outsourcing. These sectors have been identified as having the potential to create rapid growth and transform informal sector enterprises into thriving formal businesses.

In this regard, I wish to thank hon. Members for approving the Micro-Economic Finance Act, which I assented into law last year. The Act will provide mechanisms for capitalising micro and small enterprises. In addition to these measures, the Government has rolled out the programme for constructing markets to provide small scale traders with convenient sites where they can do business. My Government is in the process of abolishing over 400 unnecessary licences that will make it easier for our people to engage in business.

(Applause)

Mr. Speaker, Sir, one of the critical challenges to improving our economic performance and providing greater employment opportunities to our people is security.

Unlike many developing countries, Kenya is yet to become a 24-hour economy, largely because of concerns about security. My Government is determined to turn this around and to ensure that in the coming year, our security agencies will win the war against crime. Similarly, the perception of corruption and mismanagement of public resources must be eliminated if we are to attain a more equitable and prosperous society.

Mr. Speaker, Sir, to reduce corruption in public procurement, the law and regulations under the new Public Procurement and Disposal Act are now in operation. We will strengthen the Judiciary by increasing the number of judges from 60 to 200 to ease the shortage of judges that has caused a backlog of cases and slowed down the administration of justice. In this regard, the Government will soon be tabling a Bill to increase the number of judges in the High Court from 50 to 150 and those in the Court of Appeal from 10 to 50. My Government will also introduce amendments to open up wealth declaration to public scrutiny, and propose a Bill to enhance judicial autonomy. These laws and regulations will strengthen the existing anti-corruption legal and institutional framework, make justice more available to all Kenyans and strengthen the fight against corruption.

Mr. Speaker, Sir, last year, my Government tabled 32 Bills in this House. I commend hon. Members for passing 19 Bills during the last Session. We shall be republishing the lapsed Bills for consideration by the House. In addition to these Bills, the Government will be producing new Bills to consolidate the economic and social gains and improve the governance of this country.

I will now address some of the areas that the Government intends to introduce legislation and Sessional Papers during this Session of Parliament. My Government will be tabling a Bill to enable the direct elections of mayors, deputy mayors and chairmen of county councils. This will facilitate better management and accountability of our local authorities. We will also be tabling a Political Parties Bill to better regulate political parties in this country.

Mr. Speaker, Sir, during my visits to the provinces and districts, the leaders and *wananchi* in some areas passionately argued for sub-division of their districts in order to bring services closer to the people. In response to those requests, the Government has approved 38 new districts and will be tabling the necessary legislation to formalize their establishment. The legislation will also seek to legalize 24 other districts created earlier, but not finalised through an Act of Parliament.

Mr. Speaker, Sir, with regard to the Constitution Review Process, I want to assure hon. Members that my Government will facilitate dialogue on the nature and extent of the reforms that are needed. We will then table before the House the necessary legislation that will define the way forward on the review process. I urge hon. Members to participate actively in debating those Bills in order to ensure that what is enacted into law reflects unanimity on the way forward in completing the review of the Constitution, and how we will build strong and durable national institutions and political parties.

Mr. Speaker, Sir, among the Bills that we will re-introduce is the Proceeds of Crime and Anti-Money Laundering legislation to enable us have a legal basis to deal with money laundering. We will also re-table the Domestic (Family Protection) Bill that will protect women and children from domestic violence. My Government will table Bills on coffee, cereals, pyrethrum and sugar to enable the agriculture sector to continue to grow effectively.

Mr. Speaker, Sir, with regard to co-operatives, we will be tabling before this House the Savings and Credit Co-operative Societies Regulation Bill, which is intended to instill strict financial discipline in all savings and credit co-operatives throughout the country. To enable the Information and Communication Technology (ICT) sector to realize its full potential for employment and wealth creation in Kenya, my Government will table an ICT Bill this year to

provide for a single regulator for the sector.

We propose to make amendments to the Firearms Act and Penal Code to provide for capital punishment for persons convicted of acquiring, possessing and importing firearms without a permit or licence.

(Applause)

There are also several other Bills and policy papers on various sectors that will be brought to the House for debate and approval. I urge hon. Members to join hands and work together in completing the business laid out for this House in the coming Session.

Mr. Speaker, Sir, in conclusion, I wish hon. Members a productive Session in which the common interests of the people of Kenya override any other individual or factional agenda. This is possible when leaders set aside personal interests and dedicate themselves to pursue what is best for the people of Kenya.

With those few remarks, it is now my pleasure to declare the Sixth Session of the Ninth Parliament officially open. I wish every hon. Member a very good time.

Thank you.

(Applause)

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Speaker, Sir, I beg to move the following Motion:-

THAT, the thanks of this House be recorded for the exposition of public policy contained in His Excellency's Presidential Address from the Chair on Tuesday, 20th March, 2007.

(Applause)

DEPARTURE OF HIS EXCELLENCY THE PRESIDENT

Mr. Speaker: Hon. Members, we have concluded the business for today. Before I adjourn the House, I would like to request hon. Members to remain standing while the Presidential Procession, Judges and Spiritual Leaders leave the Chamber. Thereafter, in our usual dignity and decorum, we will leave the Chamber.

*(Hon. Members rose in their places
while His Excellency the President
left the Chamber)*

ADJOURNMENT

Mr. Speaker: Hon. Members, that concludes our business for today. Therefore, the House stands adjourned until tomorrow, Wednesday, 21st March, 2007, at 9.00 a.m.

The House rose at 3.55 p.m.