

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 21st November, 2006

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

NOTICES OF MOTIONS

Mr. Balala: Mr. Speaker, Sir, I beg to give notices of the following Motions:-

INTRODUCTION OF MOMBASA FREE PORT AUTHORITY BILL

THAT, in view of the unique location of Mombasa as a port, urban and industrial complex on the East African Coast, supported by landlocked neighbours and the East African Community and being aware of the enormous potential for job creation, attraction of foreign direct investments, opportunities for large scale export, transfer of technology and management of know-how, regional development and industrialisation; this House grants leave for the introduction of a Bill for an Act of Parliament entitled "The Mombasa Free Port Authority Bill" to provide for the establishment of a locally controlled and indigenously managed free port authority and for matters incidental thereto and connected therewith.

INTRODUCTION OF PASSPORTS BILL

THAT, this House grants leave for the introduction of a Bill for an Act of Parliament entitled "The Passports Bill" to provide for the issue of passports and travel documents as a right, to facilitate the departure from Kenya of Kenyan citizens and other persons and for matters incidental thereto and connected therewith.

QUESTIONS BY PRIVATE NOTICE

ACCESS TO TELECOMMUNICATIONS SERVICES IN LAISAMIS CONSTITUENCY

(Mr. Lekuton) to ask the Minister for Information and Communications:-

(a) Is the Minister aware that telephone landlines in Loyangalani and Mt. Kulal in Laisamis Constituency are malfunctioning, thereby disrupting communication within the constituency and its environs?

(b) Is he further aware that during rainy seasons, there is total telecommunication breakdown?

(c) What is the Minister doing to help the residents of Laisamis Town and

other upcoming urban centres with similar problems access telecommunication and other information services without disruption?

Mr. Speaker: I will defer this Question until Thursday. Is the Minister present? The hon. Member called me from somewhere along the Isiolo-Marsabit road to tell me that his car had broken down. I hope you will appreciate that.

(Question deferred)

SETTLEMENT OF DEBT OWED TO MICROHOUSE.NET BY NEMA

(Mr. Gitau) to ask the Minister for Environment and Natural Resources:-

(a) Is the Minister aware that Microhouse.Net Limited entered into a contract with the National Environment Management Authority (NEMA) for installation and commissioning of a financial management system in December, 2005 at a contractual sum of Kshs2,900,000, but up to date, an amount of Kshs2,600,000 has not been paid as per the contract?

(b) Is he further aware that this has rendered the company financially unstable and that there is a pending proclamation of their equipment by auctioneers?

(c) If the answers to (a) and (b) above are in the affirmative, when will NEMA pay the outstanding amount?

Mr. Speaker: Mr. Gitau is not in yet. There was a request from the Minister that this Question be deferred until tomorrow afternoon. I, therefore, defer the Question until then.

(Question deferred)

DEATH OF MR. MARTIN ODONGO

(Mr. Ojode) to ask the Minister of State, Office of the President:-

(a) Is the Minister aware that Mr. Martin Ochanda Odongo of Kachuth Sub-Location in Kobama Division within Ndhiwa Constituency was found dead and dumped by the roadside on 10th October, 2006?

(b) Could he table a report on the investigation of the death, if any, and state how many people have been arrested in connection with the death of the deceased?

Mr. Speaker: Mr. Ojode is also absent. The Question is dropped!

(Question dropped)

Why have I not heard of a point of order?

(Laughter)

ORAL ANSWERS TO QUESTIONS

Question No.139

PROVISION OF VEHICLES TO LARE/
MAU NAROK POLICE STATIONS

Mr. Mukiri asked the Minister of State, For Administration and National Security:-

(a) whether he is aware that Lare and Mau Narok Police Stations which are both divisional headquarters have no vehicles; and,

(b) what the Government is doing to ensure that these stations get vehicles to assist combat crime.

Mr. Speaker: Is Mr. Kingi present? Welcome back, Mr. Kingi.

The Assistant Minister, Office of the President (Mr. Kingi): Thank you, Mr. Speaker, Sir. I wish to submit my apologies for being absent last week due to reasons that were beyond my control.

Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Lare Police Station does not have a vehicle of its own. I am also aware that Mau Narok has a vehicle which is a Toyota Land Cruiser, GK A291E.

(b) Due to shortage of resources, Lare Police Station shares a vehicle which is a Toyota Land Cruiser, GK 4613L, with the neighbouring Likia Police Station.

Mr. Speaker, Sir, arrangements have, however, been made to acquire vehicles for Lare Police Station and other police stations that do not have vehicles.

Mr. Mukiri: Mr. Speaker, Sir, it is unfortunate that the Assistant Minister has not furnished me with a written answer. However, the Assistant Minister said that the vehicle whose registration number is GK 4613L is based at Likia Police Station. I would like to inform him that Likia Police Station is in a different division from Lare Police Station. The area that Lare Division covers is very expansive and so is the area that Mau Narok Division covers where Likia Police Station falls.

Could I know from the Assistant Minister when he expects vehicles to be given out? Could he also give an assurance that once these vehicles are available, Lare Police Station will be given priority?

Mr. Kingi: Mr. Speaker, Sir, I have already said that we are in the process of purchasing vehicles and the moment we are through, we will consider assigning a vehicle to Lare Police Station, alongside other police stations that do not have vehicles.

Mr. Mukiri: Mr. Speaker, Sir, the Assistant Minister has not given me a firm assurance. Whenever there erupts cases of insecurity caused by ethnicity problems, Lare Division is affected. Coupled with this is the fact that roads between Likia and Lare are completely impassable. This is an area which the Assistant Minister ought to give priority.

The Assistant Minister has visited the area before and he knows what I am talking about. Could he, please, give a firm assurance that Lare Police Station will be given a vehicle? He should not tell this House that he will consider Lare Police Station alongside other police stations that do not have vehicles. Lare is an area that requires to be given priority.

Mr. Kingi: Mr. Speaker, Sir, the hon. Member knows that I am very serious. It is not the first time he is asking for a vehicle. He asked for a vehicle for a District Officer in his constituency which we provided and I promise that we will give him a vehicle.

Mr. Boit: Mr. Speaker, Sir, the problem of transport for police officers is countrywide. In my constituency, North Baringo, we do not have a single police station. We are served from a favoured division called Kabarnet. We do not have a vehicle. Right now we are being attacked left, right and centre by people from East Pokot and the police have a problem in reaching the affected areas. Could the Assistant Minister provide transport to this area because it is not just Lare and Mau Narok police stations alone which do not have vehicles?

Mr. Kingi: Mr. Speaker, Sir, when we buy vehicles, we give priority to areas affected by insecurity, especially those affected by cattle rustling, banditry and other issues of insecurity. That is why I said that the moment we purchase these vehicles, we will look at all those police stations

in those areas and provide them with transport.

Mr. Speaker: Next Question by Mr. Kimeto!

Question No.617

ILLEGAL SEIZURE OF PUBLIC
UTILITY PLOT IN SOTIK

Mr. Speaker: Mr. Kimeto has called to ask for the Question to be deferred to next week. Is the Minister for Lands here?

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Speaker, Sir, the Minister for Lands is bereaved and, therefore, he is away and his Assistant Minister is in Malawi.

Mr. Speaker: Very well. Anyway, the hon. Member, in any case, had asked for deferment of the Question. I just wanted to inform the Vice-President and Minister for Home Affairs. So, thanks. We will defer the Question to Tuesday next week.

(Question deferred)

Next Question by Mr. Ahenda! Mr. Ahenda, the Vice-President and Minister for Home Affairs has informed me that he will answer your Question. So, go ahead and ask it.

Question No.546

POSTING OF LAND REGISTRAR
TO RACHUONYO DISTRICT

Mr. Ahenda asked the Minister for Lands:-

- (a) when he will post a Land Registrar to Rachuonyo District; and,
- (b) why the Registrar who was sent to the district early this year was recalled.

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

(a) I am in the process of posting a Land Registrar to Rachuonyo District Lands Office.

(b) The Land Registrar who had initially been posted to Rachuonyo was recalled to Migori to facilitate proper separation of documents for Homa Bay District from the ones to be moved to Rachuonyo District.

Mr. Ahenda: Mr. Speaker, Sir, the Lands Office in Rachuonyo has been in existence for many years but the officer was posted there and recalled immediately. Could the Vice-President and Minister for Home Affairs inform us when this officer will be posted back because we are experiencing a lot of problems travelling to Homa Bay, thus incurring a lot of expenditure in transport?

Mr. Awori: Mr. Speaker, Sir, two things are happening. When this officer was recalled, then the amount of money that was to run the office was also recalled to Migori District. However, as soon as we make the necessary arrangements both for the officer and a Land Rover, this will be done.

Mr. Speaker, Sir, I want to assure the hon. Member that the Minister for Lands told me that this will be done as soon as possible.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, the impression His Excellency the Vice-President and Minister for Home Affairs is giving is that there is a shortage of land registrars in this country.

Could he deny or confirm whether there is a shortage of land registrars in this country and when will the right numbers be recruited so that every district that is in existence is able to have a competent land registrar?

Mr. Awori: Mr. Speaker, Sir, I do confirm that there is indeed a shortage of land registrars nationwide just as there are shortages of a lot of professionals in various Ministries. Everything is being done to ensure that land registrars will be posted to the various districts.

Mr. Rotino: Mr. Speaker, Sir, as the Vice-President and Minister for Home Affairs is considering sending a land registrar to Rachuonyo District, since Independence, West Pokot has never had one. We have put up an office for this officer and we have been promised one for several years but he or she has not reported.

Could the Vice-President and Minister for Home Affairs consider sending us one because we are in the process of registering land in West Pokot?

Mr. Awori: Mr. Speaker, Sir, apart from the adjective "immediately", I say that we will consider it without the adjective.

Mr. Ahenda: Mr. Speaker, Sir, it is very unfortunate that I have to face my brother-in-law in this Question but---

Mr. Speaker: Will you leave your relationships at home!

(Laughter)

Mr. Ahenda: Mr. Speaker, Sir, it is true that the Rachuonyo Lands Office was made ready several years ago and indeed an officer was posted there. Actually, there is no money and you have heard His Excellency the Vice-President and Minister for Home Affairs saying that money meant for Rachuonyo was diverted to somewhere else. Yesterday, I was at that office and I inspected it because I knew this Question was coming up. I even wanted to bring the keys and give them to the Minister for Lands so that this officer can go there and report. The office is ready and there is no money.

Could the Vice-President and Minister for Home Affairs tell us the specific date when this officer will be posted because "as soon as possible" is too vague?

Mr. Awori: Mr. Speaker, Sir, as soon as possible can never be too late, but, nevertheless, it will be as soon as possible.

(Laughter)

Mr. Speaker: Next Question by Prof. Anyang'-Nyong'o!

Question No.569

GRAVELLING OF MASENO-KOMBEWA ROAD

Mr. Sungu: On a point of order, Mr. Speaker, Sir. Hon. Prof. Anyang'-Nyong'o is bereaved.

Mr. Speaker: Oh, yes, pass my condolences to him, as well as to the Minister for Lands.

Mr. Sungu: Thank you, Mr. Speaker, Sir.

Mr. Speaker: Very well. Let me defer the Question to next week. Will next week be all right?

Mr. Sungu: Mr. Speaker, Sir, next week will be fine.

(Question deferred)

Mr. Speaker: Next Question by Mr. Ochilo-Ayacko! Mr. Assistant Minister, just before you answer the Question, I do not know whether the hon. Assistant Minister for Energy, hon. Kiunjuri, is here. Could somebody send word to him to come because he was on the Floor moving the next order, and I see we are almost coming to the end of Question Time? Leader of Government Business, could you send somebody to do that?

Question No.313

GAZETTEMENT OF DISPENSARIES
BUILT THROUGH COMMUNITY EFFORTS

Mr. Ochilo-Ayacko asked the Minister for Health:-

(a) when she will gazette the following proposed dispensaries built through community efforts:- Ngere, Otacho, Ombo Mbita and Ngodhe; and,

(b) when Rongo Sub-District Hospital will be supplied with an ambulance.

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

(a) Ngere, Otacho, Ombo Mbita and Ngodhe dispensaries are among the 600 dispensaries constructed through the Constituencies Development Fund (CDF)/community efforts which my Ministry is going to gazette and operationalise.

(b) Rongo Sub-District Hospital and other hospitals of its level will be supplied with ambulances when my Ministry has adequate funds. At the moment, the Ministry is in the process of allocating new ambulances to provincial and district hospitals. Later, the sub-district hospitals will be considered for allocation including Rongo Sub-District Hospital. However, Rongo Sub-District Hospital does not have an ambulance but currently has a double cabin used for referral purposes.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, I am aware that Migori District Hospital has an ambulance. I am equally aware that the three sub-district hospitals in the district have ambulances except Rongo Sub-District Hospital. Could the Assistant Minister consider giving Rongo Sub-District Hospital an ambulance because it does not have one?

Dr. Kibunguchy: Mr. Speaker, Sir, the 115 ambulances which will be flagged off on 4th December, 2006, by His Excellency the President are all destined to go to provincial and district hospitals. Their names have already been written on them. I will instruct the District Medical Officer of Health to give the one they are using to Rongo Sub-District Hospital once the district hospital gets a new ambulance.

Mr. Balala: Mr. Speaker, Sir, could the Assistant Minister table the list of the ambulances that will be distributed by the President and indicate which district and provinces will receive these ambulances?

Dr. Kibunguchy: Mr. Speaker, Sir, I thought I made myself very clear. All the provincial and district hospitals in this country will each get an ambulance. The extra ones will go to faith-based hospitals in the country.

Dr. Ojiambo: Mr. Speaker, Sir, the question of equipment and drugs to health centres and dispensaries in this country is an urgent one. Is the Assistant Minister aware that majority of Kenyans are poor and that they are the ones who use dispensaries and health centres? Is he also aware that most of them cannot travel to those sub-district and district hospitals? Why is the Assistant Minister not allowing these dispensaries and health centres to be available to patients who cannot travel far when he knows that he does not have enough funds to purchase equipment

such as ambulances for these centres?

Dr. Kibunguchy: Mr. Speaker, Sir, I do not think I really understand what the hon. Member is asking. One of the things we are very proud of in the Ministry of Health at the moment is that we have equipped all our dispensaries that are already registered. We supply them with drugs regularly and we are now employing health workers and we will post them to those hospitals.

One of the success stories about this Government is that most dispensaries and health centres are operational. We reduced the charges to dispensaries to only Kshs10 because we know our people are poor. The charges at the health centres is only Kshs20. Once one pays that money, they get everything that they require in those facilities.

Mrs. Kilimo: On a point of order, Mr. Speaker, Sir. The Assistant Minister is misleading the House by saying that hospitals and health centres are operational while there are hospitals without staff. Why is he misleading us? I have no medicine in my constituency! Is he in order?

Dr. Kibunguchy: Yes, I am in order, because I know what is available on the ground. I know that we have now employed health workers, though not enough and we have sent them to all our dispensaries and health centres that are registered.

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, I want to thank the Assistant Minister for the good answer. Could I ask for his permission to announce to the people of Rongo that upon receipt of a new ambulance by Migori District, they will get the ambulance that is currently being used by the district hospital? Do I have the Assistant Minister's permission to do that?

Dr. Kibunguchy: Mr. Speaker, Sir, the hon. Member has my permission and I will also call the District Medical Officer of Health and instruct him as such.

Question No.446

PAYMENTS TO PUBLIC OFFICERS
INVOLVED IN CDF PROJECTS

Mr. Mwandawiro asked the Minister for Water and Irrigation:-

(a) if he could inform the House whether public officers in the Ministry (including engineers and surveyors) should be paid using the Constituency Development Fund (CDF) funds when they provide services to CDF funded projects; and,

(b) if the answer to "a" above is in the affirmative, what the criteria for payment is.

The Assistant Minister for Water and Irrigation (Maj. Sugow): Mr. Speaker, Sir, I beg to reply.

(a) Projects undertaken by the Constituency Development Committees are not usually included in my Ministry's budget proposal and therefore, part of the CDF funds are used to facilitate provision of technical services provided by my Ministry's technical staff.

(b) The technical members of staff are paid allowances according to the Government rates applying at that time.

Mr. Mwandawiro: Mr. Speaker, Sir, the answer given by the Assistant Minister is not satisfactory. I asked this Question because we are confused in Wundanyi Constituency. I asked this Question in English so that the Ministry can understand and provide me with a clear answer as possible.

(Laughter)

In Wundanyi, we spend half of our CDF money on water. If you total the amount of money

demanded by the officers of the Ministry of Water and Irrigation, it actually amounts to several millions of shillings. That is why I really want to have a very clear and precise answer.

Mr. Speaker, Sir, now that the Ministry has decided to privatise water services in relation to the CDF, how much should we pay the Ministry's officers, if they do survey or any water project for CDF?

Maj. Sugow: Mr. Speaker, Sir, I have all along thought that the hon. Member was more comfortable with Kiswahili than English and that is why he has always been asking Questions in Kiswahili in the past. So, the question of my understanding Kiswahili or not does not arise.

However, if I may go back to the question, the rates vary from place to place. The members of the technical staff of each Ministry, depending on the line Ministry, are supposed to be paid allowances depending on the night and the area where they are operating. These rates are paid depending on the grade of the staff and the Government circulars that are issued from time to time from the Directorate of Personnel Management (DPM).

Mr. Speaker, Sir, it is a requirement of the CDF Act that line Ministries in projects being undertaken through the Fund be involved in providing technical assistance, including carrying out investigations, planning, designing and supervision of construction of the project. This is aimed at ensuring that the projects are technically sound, cost effective and are constructed to the required standards or specifications.

The CDF-funded projects are identified during the financial year of implementation and the line Ministries do not usually budget for the provision of technical services. The CDF, therefore, uses part of its funds to pay the officers the allowances---

Mr. Arungah: On a point of order, Mr Speaker, Sir. Is it in order for the Assistant Minister to start telling us stories when the Question was very specific. If we have to pay for the services, how much should we pay them?

Maj. Sugow: Mr. Speaker, Sir---

Mr. Speaker: Order! Order! I think we need to go through this step by step because each hon. Member and every Kenyan has an interest in what is being discussed here. The question is this: Do you have to pay every line Ministry for being involved in the CDF projects? Even if they are not spending a night away, you will have to pay them. You have to come out clear so that the House understands.

Maj. Sugow: Mr. Speaker, Sir, I have the current list indicating accommodation allowances for members when they go to carry out projects. They vary depending on the grade of the officer and the area where they are working. Since the list is long, if the hon. Member wants to know the rates, I can table it so that he can see the details. If I read this list, it will take up a lot of time.

*(Maj. Sugow laid the document
on the Table)*

Mr. Speaker: What about if the officers are giving a service at their normal station of work, will they be paid?

Maj. Sugow: Mr. Speaker, Sir, I am talking about field work and not normal work at their stations.

(Loud consultations)

Mr. Speaker: Order! Order! Please, listen to this.

Mr. Waithaka: Mr. Speaker, Sir, the reason why Mr. Mwandawiro put the Question to

this Ministry of Water and Irrigation is because this is where we are getting a lot of problems in implementing water projects in our constituencies because it involves a lengthy process. If an officer drove from his office to a constituency, for example, in Nyandarua, they can drive to Kinangop and then drive back to the office, is he entitled to any payment or fuel for the GK vehicles? They fuel GK vehicles which have a provision in the line Ministries.

Maj. Sugow: We do not have a provision in the line Ministry for projects that are in the CDF. We have provisions in the line Ministry for projects that are implemented by the Ministry. When an officer goes to the field to carry out a hydrological survey for the CDF, he needs fuel. If he is required to stay out for that particular night, he will need a night out. There is a circular that states---

An hon. Member: How much?

Maj. Sugow: The list is long!

Mr. Gitau: On a point of order, Mr. Speaker, Sir. The Assistant Minister is confusing this House. In Juja, we receive water bills from the Ministry. All those officers are demanding money for 10 days regardless of how many days they bill the water consumers. This Assistant Minister is confusing this House.

Would I be in order to ask you to defer this Question for him to do his homework properly?

Maj. Sugow: Mr. Speaker, Sir, I am not denying the fact that the CDF is the paying officers some allowances. Mr. Gitau is saying that these officers have been working for 10 days and they were paid. I agree with him that, that is what the CDF is supposed to do.

Mr. Speaker: Order, hon. Members! I think we need to sort this out. There are public servants whose job is to give services to all people in their offices free of charge. According to regulations, at least the ones we read a long time ago, the only time they are entitled to payment is when it is a night out. Now, what appears to cause anxiety amongst hon. Members, and I think understandably so, is that, maybe, the officers and apparently, also the Assistant Minister, view the Constituencies Development Fund (CDF) as a foreign entity; separate and apart from their public service. Mr. Speaker, Sir, maybe, the Assistant Minister may wish to re-look at the issue and come back to the House with an appropriate reply. We may send a very wrong message to the country if we do not get everything thought out properly.

So, Mr. Assistant Minister, can I give you a little time? I will defer the Question to Thursday next week.

Maj. Madoka: On a point of order, Mr. Speaker, Sir. I think the Question is much broader than that. In fact, it does not just affect the Ministry of Water and Irrigation. When road engineers go to work in the field, they demand some money for lunch and other uses. So, we need a clear policy, maybe, from the Ministry of Finance, stating how much money should be given to such officers, or what procedure we should adopt.

Mr. Speaker: Finally, Mr. Raila!

Mr. Raila: Mr. Speaker, Sir, I want to expound on the issue that Maj. Madoka has raised. We need a clear policy statement from the Government because the CDF is Government money. The committees just implement the CDF programmes on behalf of the Government. Therefore, a situation should not arise where Government officers, who use Government time and resources, should claim allowances from the CDF.

Mr. Speaker, Sir, therefore, we would like to have a clear policy statement from the Government as to whether its officers should be paid twice in the form of regular salary earned for working on a particular day and claims from the CDF. It is a contradiction.

Mr. Speaker: I thought that is the issue on which I have already given the opportunity.

The Minister for Roads and Public Works (Mr. Nyachae): On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Yes, Mr. Nyachae! I think we can gain a lot from your experience.

The Minister for Roads and Public Works (Mr. Nyachae): Mr. Speaker, Sir, I only rose

on a point of order because Maj. Madoka has mentioned Ministries and he was very specific about the Ministry of Roads and Public Works. I would like the House to know that we are not aware of those demands at the Ministry. Therefore, if there is any of our officers who has demanded money outside the laid down procedures, please, let us have the minutes.

(Applause)

Mr. Speaker: Order! Order, hon. Members! I appreciate the gravity of the issue and the interest of the House. That is why I have given you quite a bit of latitude. I have even gone further to give the Assistant Minister an opportunity to consult, both internally in the Ministry and within Government, so that they can come back and give a clear Statement because I think this is an absolutely important issue. So, please, let us leave it at that. If the Assistant Minister would like to have even two weeks to enable him have further and better consultations, I am prepared to do that. So, if--

Capt. Nakitare: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order! Order, Capt. Nakitare! You will sit down! You have no power to stand there and say, "Mr. Speaker."! Who gave you that authority?

The Assistant Minister for Water and Irrigation (Maj. Sugow): Mr. Speaker, Sir, I abide by your instructions but I request that this Question, considering the fact that it goes beyond this particular Ministry, be referred to the Ministry of Finance.

Mr. Speaker: That is okay. I will re-route the Question to the Ministry of Finance for them to come back in two weeks' time and give us a proper Government stand on the issue.

(Question deferred)

Next Question, Mr. Elias Mbau!

Question No.028

DELAY IN PROCESSING OF
PENSION DUES

Mr. Waithaka, on behalf of **Mr. Mbau**, asked the Minister for Finance:-

(a) whether he is aware that it takes a very long period before pension dues are processed; and,

(b) what measures he is taking to stop this trend.

The Minister for Finance (Mr. Kimunya): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that some pension cases take too long to process.

(b) The following steps have been taken to shorten the process:-

(1) The Government is in the process of modernising the Information Communication Technology System of the Pensions Department.

(2) The Pensions Department will be given more staff to boost its current number in order to improve efficiency in handling the big workload.

(3) The Pensions Department is posting experienced officers to the Government Ministries in order to improve documentation of records required for pension payments.

Mr. Waithaka: Mr. Speaker, Sir, first, I would like to thank the Minister for acknowledging the fact that it takes very long before pension dues are processed and telling us the measures the Government is taking to address the issue. However, our people are seriously suffering, especially when one person leaves behind dependants, like a widow and some children in school. The processing of pension in such a case drags on until even the widow dies before

enjoying her late husband's benefits. I have a case of a person who died in 1996, called Mungai Ikiu Kang'ethe, who was saving with the National Social Security Fund (NSSF). His pension number is C/038528479/44. The dependants applied for survivor's benefits since then without success. Whenever they went to the offices, they were told that the file could not be traced, or given other excuses. What steps is the Minister taking to ensure that a beneficiary like this one is paid within time?

Mr. Kimunya: Mr. Speaker, Sir, I thought I had enumerated the steps we are taking to ensure that, in principle, every pensioner is paid within time. The issue here is, really, that of documentation. With the volume of claims that come to us, if the documentation is not right, we either open ourselves to fraud or we end up leaving out the good pensioners who need to be paid, but their files, or the relevant papers, cannot be traced. Movement of documents between the Pensions Department and parent Ministries is such that unless we capture such information in a better operating module, like better computerised system, we will continue to have this backlog, which runs into thousands of claims as of now.

Mr. M.Y. Haji: Mr. Speaker, Sir, notwithstanding deceased persons, we all know that people have to retire at one time or another. Could the Minister consider - in addition to the measures he has put in place - liaising with parent Ministries to ask persons remaining with six months to proceed on retirement to memorise all their records, so that by the time such persons retire, their pensions are processed? I am saying this because I know three or four people from the North Eastern Province, who have retired from public service. For the last one month, there has not been any road to any of those areas. They are in Nairobi, and they have to spend money.

Mr. Speaker: Mr. Minister, what happened to the law that was enacted by this House on this matter?

Mr. Kimunya: Mr. Speaker, Sir, it is true that this House passed a law on payment of pensions. However, the issue at hand is not that we do not have a law. The problem is the practicability of processing the pensions claims. It just takes too long. The Pensions Department receives about 1,000 new claims every month, as people retire. Now, if we do not have an effective system of capturing those claims, we may end up sending the monies to different places or in different accounts. Another problem we have is that the claimants are supposed to submit some information to the Pensions Department, through their parent Ministries. Until we re-structure this process, the processing of pension claims will continue to take long because the relevant information takes long to reach the Pensions Department. We are aware of the challenge. We are doing what we can to ensure that pensioners receive their dues in the least time possible.

Mr. Nderitu: Thank you, Mr. Speaker, Sir. I stand to speak on a different issue. When a majority of pensioners go to claim their pension, it takes more than two or three days. Who compensates them for this loss?

Mr. Speaker: I suppose you mean when they come to Nairobi?

Mr. Nderitu: Yes, Mr. Speaker, Sir.

Mr. Kimunya: Mr. Speaker, Sir, if all the documentation is in place, pensioners do not need to come to Nairobi to collect their pension. Pension is actually sent to their bank accounts, and that works very fast. But if the pensioners want to come to Nairobi to collect the cash, then that is a different thing.

Mr. Raila: Mr. Speaker, Sir, the Government has got over 200,000 teachers and over 300,000 civil servants in the payroll, and it has no difficulty in paying these people on a monthly basis, yet there are very few pensioners. This problem keeps on recurring all the time. It was in the NARC Manifesto that they will streamline the payment of pensions to retirees. Why should there be a problem in paying somebody his pension, whereas when he was in the payroll, he was being paid on a monthly basis?

Mr. Kimunya: Mr. Speaker, Sir, indeed, we promised to streamline the pension as well as the personnel systems. Currently, through the so-called "IPPD" System, we are integrating all the

personnel data within the Ministries into one master database. That will help in terms of migrating people from--- You can move within Ministries and you will still be in the same database. Immediately you move into retirement, your data will be moved into a pension database. That is the computerization I am talking about that is ongoing. But we must remember that we are talking about processing information of over 300,000 civil servants in addition to another 230,000 teachers and weed out the people who should not be or who should not have been in the payroll. It is only that we do not want to really migrate people who have problems because they are not in existence.

Mr. Sudi: Thank you, Mr. Speaker, Sir. The Minister is talking from a point of ignorance. We all know that when somebody is employed, he will retire one day. Why is it taking a long time by saying that documents must be submitted when we know the year an employed person will go into retirement. Why is it taking a long time to process the pension?

Mr. Kimunya: Mr. Speaker, Sir, I am not sure where the ignorance lies, but I have explained the system. If the hon. Member was listening, he would have heard exactly what I said.

Mr. Speaker: Let us have one more question. Shall I give this chance to the Shadow Minister for Finance?

Mr. Billow: Mr. "Chairman", Sir, there are retirees behind me who are saying that they have not been paid up to now---

Mr. Sambu: It is Mr. Speaker!

Mr. Billow: Mr. Speaker, Sir, we were told earlier that it is a question of law, so we passed a law. Now, the Minister is saying that it is a question of us waiting until they put the e-Government into place. But I think once they appreciate the measures about Information, Communication and Technology (ICT) and so on--- There is one fundamental thing that the Minister has not addressed: There is a huge bureaucratic system which has been put in place there in order to extract money from pensioners before they are paid. What action is your Ministry going to take to address that issue? Unless that issue is addressed, you will not be able to have reforms in that department.

Mr. Kimunya: Mr. Speaker, Sir, I am not aware of any system that has been put in place to extract money from pensioners. We are reforming the Pensions Department to expedite the payment of money to the pensioners.

Mr. Speaker: Let us have the last question from Maj. Madoka!

Maj. Madoka: Thank you, Mr. Speaker, Sir. We passed the law and my understanding of the law was that, in fact, all the documentation will be done before the employee retires. If all that is done, where does the delay arise? You are saying that the pension delays because of the documentation process, but before you release the employe, all the documentation must have been done. So, Mr. Minister, are you serious about this?

An hon. Member: He is not following the law!

Mr. Kimunya: Mr. Speaker, Sir, I believe that we are looking at two things here. There are people who are currently retiring, especially within the framework of the current administration. We do not have a problem. We know where they are going and the necessary documentation is being passed on. But there are those people who retired in the past and who have never submitted their paperwork. Those are the people who are saying that they have waited for five, six or ten years to actually get the paperwork. So, the first thing is that, we need the documentation to authenticate that this person retired on this date, he was on the payroll and was pensionable. These are the ones which are being processed on a fast track basis. But regarding the people who are retiring right now, we just need to migrate their information from their employer to the Pensions Department. So, I think we are looking at two time frames here.

Mr. Speaker, Sir, so, anyone who retired over four years ago years is a problem that we inherited that we have to try and solve in the best way possible for the Kenyan people.

Mr. Speaker: Last question, Mr. Waithaka!

Mr. Waithaka: Thank you, Mr. Speaker, Sir. There is a difference between intention and

actual implementation of this intention. The Minister has kept on saying that they intend to modernize, they intend to do this and that. What is the time frame when they are going to finish this modernization so that we can deal with all that backlog once and for all?

Mr. Kimunya: Mr. Speaker, Sir, modernization is an ongoing process. As we talk, we are processing over 1,000 new claims that get into the system every month and are paid. I cannot quite put a timeline in terms of when we would have finished updating all the claims because we do not even know some of those that are still out there when there was no system of capturing them. But we are working flat out to ensure that all pensioners are in the system and they are actually getting their dues when they should be getting them.

Mr. Sambu: On a point of order, Mr. Speaker, Sir. Is the Minister in order to talk about those upcoming pensioners when there are pensioners---

Mr. Speaker: To talk about what?

Mr. Sambu: Is the Minister in order to talk about those upcoming pensioners, those who are about to retire? Is he in order to mislead this House because pensioners who are already getting their pension suddenly get their pensions stopped and they are never given any reason? Even when we, as hon. Members, intervene by writing to the Treasury, the Minister does not have the courtesy to reply to our letters! Is he in order?

Mr. Speaker: That is not a point of order! It is a very wordy supplementary question, but wrongly captured.

That is the end of Question Time!

Next Order!

BILL

Second Reading

THE ENERGY BILL

*(The Assistant Minister
for Energy (Mr. Kiunjuri)
on 16.11.2006)*

*(Resumption of Debate
interrupted on 16.11.2006)*

Mr. Speaker: Mr. Kiunjuri, you were on the Floor!

The Assistant Minister for Energy (Mr. Kiunjuri): Thank you Mr. Speaker, Sir.

Part VI of the Bill has created an Energy Tribunal to hear and determine appeals against decisions of the Energy Regulatory Commission and the Minister. The Tribunal will be chaired by a lawyer appointed by the President in consultation with the Judicial Service Commission. He should have the relevant experience in matters related to energy. Part VII of the Bill is on the Miscellaneous Provisions which gives the Minister the authority under Clause I(i)2 to procure emergency power capacity in the event of a power crisis. This provision does not exist in the current Electrical Power Act. Currently, the Minister can only use the KenGen bulk supply licence and this limits his operation flexibility. This clause also gives the Minister power to maintain national strategic petroleum stock. Currently, this function can be undertaken under Cap.502 on Export and Import of Essential Commodities, through a Legal Notice issued by the Minister for Trade and Industry.

Mr. Speaker, Sir, it is now my humble request to invite the hon. Members to contribute on the Bill and formally adopt it.

I beg to move and request Mr. Obwocha to second the Bill.

The Minister for Planning and National Development (Mr. Obwocha): Thank you, Mr. Speaker, Sir. I will be very brief. In moving the Bill, the hon. Members have been told that we are amalgamating the two Acts; the Electric Power Act and the Petroleum Act, so that we have the Energy Act.

What is important to this House is that the Energy Regulatory Commission (ERC) will take care of all projects under the Rural Electrification Programme (REP). No Member of Parliament will have to just sit here and hear about electrification programmes without seeing something happening in his or her constituency. Therefore, the ERC will be extremely important for us. The ERC will have the mandate to mobilise resources to accelerate the REP. We need to put in place the ERC to handle the ongoing projects. We are aware that by 30th June, 2007, the Ministry is proposing to have carried out 940 projects all over the country. Out of which, 72 of them will be done by the Kenya Power and Lighting Company (KPLC) team. About 320 projects will be undertaken on the basis of Labour and Transport. The balance will be undertaken on Turn-Key Consultancy. Therefore, by the end of the year, we are expecting to see work being done by the KPLC.

The ERC will undertake the regulatory functions of the Electricity Regulatory Board (ERB). It is important to have this ERC, so that the issues that arise can be dealt with in terms of regulation. But more importantly, this commission should have power to control even the oil prices. When we have problems in the oil industry as we have today, it will take care of them.

Currently, there is a standoff between the KenGen and the KPLC on the issue of tariffs. I want to advise the Minister who has just resumed his duties in the Ministry of Energy, that this country cannot afford an increase in tariffs for several reasons. One, the KenGen is making enough profits at the current level of Kshs1.76 that it is charging. This year it made Kshs3.7 billion in terms of profits. Very few companies in this country make that kind of money. In any case, the consumer is now paying a lot of money to the KenGen. Therefore, the Minister should not be persuaded to increase any tariffs.

Mr. Speaker, Sir, the other issue I want to talk about is petroleum. Looking at the provisions in this Act, we need to find a way of containing the oil companies. We know that they are not making much profits.

Mr. Speaker, Sir, a lot of the money they are making is remitted to the Treasury. But we, as a House, need a mechanism to control and save the people of this country from companies that increase oil prices indiscriminately.

Even when we know that the crude oil prices in the world market have come down, they just deliberately refuse to lower the prices. Mr. Speaker, Sir, I want to add my voice on the issue of the Kenya Pipeline Corporation (KPC) although it has been clarified by the Ministry. The Managing Director and the Chairman have been doing a good job. They have turned round that corporation which was a cash-cow. They made profits in excess of Kshs2 billion after paying all their taxes. These allegations that are being made about the completion of their headquarters at the cost of Kshs500 million, are not true. The consultants and court agreed through a tabulated system that it would cost the KPC Kshs386 million to finish their headquarters. So, there is no money that has been corruptly received by either the Chairman or the Managing Director, as is being alleged. Therefore, I would also urge the Minister who has just resumed his duties at the Ministry that since the Managing Director of the KPC has done a good job, he be retained to continue doing so.

Mr. Speaker, Sir, finally, on the oil exploration, the country has been divided into various blocks. I encourage the Minister and the National Oil Corporation of Kenya (NOCK) to get those companies that would want to undertake oil exploration to exploit our natural resources and expand our revenue base. As we know, our Budget is 95 per cent locally-funded and 5 per cent donor-funded. But we would like to expand our revenue. The Australian company is going to drill the Lamu coast at the end of this month. We are all waiting very anxiously to see what will come

from there.

Mr. Speaker, Sir, I think this is a good Bill. Hon. Members should contribute and give proposals where they think we should improve the energy sector. I think those running this sector should look 50 to 100 years ahead from now, so that we can develop our capacity. Right now, we have 1,100 megawatts. But if we go along the Kenya Vision for 2030, we need about 3,000 megawatts. So, we should look at alternative ways of generating power. Ethiopia which is our neighbour has an excess of power. I think we should get power from Ethiopia because it is fairly cheap.

With those remarks, I beg to second.

(Question proposed)

Mr. J. Nyagah: Thank you, Mr. Speaker, Sir. I stand to support this Bill and make a few comments that I think will be useful to the Ministry of Energy.

I want to thank the Ministry for introducing this Bill because I think it is important to give this nation an opportunity once in a while, to discuss a critical sector such as energy. Energy is very key in the development of this country. It is the engine of our economic development and activities. Once the energy sector has a problem the entire economy suffers. I would like to talk about electricity because I have five power stations in my constituency. The role of KenGen and the Kenya Power and Lighting Company (KPLC) is important in the growth of this particular sector.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

I have been watching what has happened in Uganda as regards the power sector. I have seen serious problems of the inability of the Government of Uganda to supply electricity to its people. This is because Uganda's economy has been growing but there has not been serious development of new sources of energy or hydro-power stations in that country. I know that it is not easy to find funding for some of these very big projects, because sometimes the donor community is very strict in the terms and conditions that they impose on our countries when we want to borrow money for some of our power expansion programmes.

I have read in the newspapers, in the last few months, about a controversy, or problems, between the KPLC and the KenGen. I hope the Government will resolve this problem, because it is not good for the country for our two key players in the energy industry to have disagreements over the charges which affect the consumers. I hope that the Minister, now that we have a full time Minister who has been there before, and who, hopefully, understands the industry, will resolve this impasse that exists between the two critical players in the energy sector.

Those of us from energy-supplying areas hope that the KenGen and the KPLC will continue playing an important role in the discharge of their corporate responsibility. We hope that those of us who reside along the power stations will benefit from the KenGen and the KPLC in terms of construction of schools and water projects in these areas, so that our people can benefit. Our people who are often attacked and killed by crocodiles in hydro-electric dams should be compensated in one way or the other. Even if it is not financially, they should be compensated in form of construction of schools, roads and other facilities. I would like to thank the KenGen for what it has done in my area and urge it to do more, so that the good relationship that we enjoy can continue.

A major source of power in this country is geothermal. A few years ago, I visited Iceland. I was very impressed by that country to see that almost the entire country is heated by energy supplied from geothermal. I hope that the Ministry will continue to exploit the huge reserves that exist in the Rift Valley Province. I hope that it will find the funding that is necessary. If institutions

like the IMF and the World Bank become difficult, I am sure there are many donors in the world today who are more than willing to assist our country in solving our energy problems. We hope that we will see more private sector investments in this sector, particularly in geothermal. This is because if we continue to depend on hydro-electric power, we will mess up our environment. We know that the sources of our water are Mount Kenya, the Aberdares and the Mau Hills. If we only depend on hydro power, it means that one of these days we will have a serious shortage of water to run our hydro-electric power stations. We experienced this problem some years back, and I hope that alternative sources will be exploited by the Ministry for the benefit of this country.

We have heard a lot about oil exploration in this country. I am not an expert in this field. All that I hope is that we will find some oil in this country to benefit our people. I also pray that we do not find so much oil that we become a corrupt nation that every country that is involved in oil production becomes. I, therefore, hope that we shall just find enough for our people, so that we do not have to export this commodity. If we export it, my fear is that there will be corruption of the highest order. Our country will then get into chaos like other oil producing countries. My prayer is that we find just enough for our consumption, so that we do not have to export it. The savings that we will make on the importation of oil can then be used for other things.

I want to thank Parliament for the initiative it is taking to control oil prices. It is too expensive. I know that doing that will take us backwards in terms of modern economic management. But when oil companies refuse to be responsible, what choice does Parliament have except to resort to primitive and backward policies like price control as a method of ensuring that oil companies stop earning extraordinary profits? They should make reasonable profits and not profits that are abnormal and mess up our economy.

Finally, I hope that we will continue looking for alternative sources of energy. The former Acting Minister for Energy has just told us that there is cheap oil, and sources of energy in Ethiopia. I hope that we will look at ways and means of connecting with Ethiopia. There was an effort to connect to Tanzania. I hope the Ministry is still looking at that issue. I hope that the Ministry is looking at ways and means of connecting to the Democratic Republic of Congo (DRC), so that we can reduce the price of energy in this country. In that way, our industries will be competitive and our products will be exported at prices that make sense. We will become the competitive nation that we would all like to be associated with.

With those few remarks, I wish to thank the Minister and support this particular Bill.

The Minister for Energy (Mr. Murungi): Thank you, Mr. Deputy Speaker, Sir. First, I would like to thank my predecessors in the Ministry, hon. Nyachae and hon. Obwocha, the Assistant Minister, the Permanent Secretary, the Ministry staff and all the other stakeholders who have participated in developing this Bill.

The policy on which this Bill is based is contained in the Sessional Paper No. 4 of 2004. It is quite clear that access to reliable and affordable energy is critical for the development of all economic and social sectors of this country. You will recall that for you to come here, you had to use either diesel or petrol, which are petroleum products. Even to use a microphone to maintain order in this House we have to use electricity.

Energy is not only required for production of goods and services but also for essential tasks including cooking, lighting, heating *et cetera*. Energy also raises our quality of living through better facilities for education and health care. It is also a critical tool for income generation, poverty reduction and employment creation.

Mr. Deputy Speaker, Sir, this Bill provides a legal framework for ensuring sound energy sector management, good governance and improved access to energy services by the poor, especially in the rural areas. The Bill seeks to consolidate all regulatory functions in the energy sector and our regulator, the Energy Regulatory Commission, which is established under Clause 4. The Energy Regulatory Commission will undertake the regulatory functions currently undertaken by the Electricity Regulatory Board under the Electric Power Act and the regulatory functions

undertaken by the Minister for Energy under the Petroleum Act, Cap.116.

Mr. Deputy Speaker, Sir, the Commission has been given broad powers to issue, renew and revoke licenses and permits for all undertakings in the energy sector. The role of the Minister is limited to developing policy and making regulations on the recommendation of the Energy Commission. Unlike the Electric Power Act, 1997, in which we thought we had liberalised the energy sector, this Bill now fully liberalises the energy sector. It liberalises both the generation and distribution of electricity. Private individuals, companies and groups can now freely generate, distribute and sell electricity directly to consumers, provided that they have a licence from the Commission.

Mr. Deputy Speaker, Sir, the passing of this Bill will greatly enhance the supply of electricity to rural areas, especially in areas where there is micro-hydro power potential. I think the most important clause in this Bill, other than that establishing the Energy Regulatory Commission, is Clause 66, which establishes the Rural Electrification Authority. Most of the people living in rural areas have no access to electricity. This is a major development challenge, which the NARC Government is addressing through this Bill.

Mr. Deputy Speaker, Sir, Kenya's national electricity access rate is very low. It now stands at about 16 per cent of the total population. In rural areas, the access rate is only five per cent of the total population. The Rural Electrification Authority is being created to accelerate the pace of rural electrification in all our constituencies in Kenya, through both grid and off-grid electricity.

Mr. Deputy Speaker, Sir, hon. Members have raised concerns about the prevailing high fuel prices in this country, especially the cartel-like operations of the major oil companies. There have also been calls, both in the House and the Press, for the re-introduction of price controls in this sector. I think this Government would be very reluctant to impose price controls in this day and age. However, if you look at Clause 5(3)(e) of the Bill on page 1238, you will see that, the Energy Commission will be empowered to monitor and ensure that principles of fair competition will be observed by these companies. So, the companies are not being left scot-free. We do not want rogue oil companies in this country. We hope they are going to be prudent and sensitive, so that we do not ruin the industry.

Mr. Deputy Speaker, Sir, the Bill, for the first time, gives the proposed Commission powers to regulate new and renewable sources of energy. There are many areas of this country to which it is going to be very expensive to extend grid electricity. I think this is an important provision in this Bill, because it will enable us to cover areas, especially North Eastern Province, to which it would be very difficult to take grid electricity. We are talking about possibilities of use of solar power, wind power and micro-hydro power to supplement grid electricity in Kenya.

Mr. Deputy Speaker, Sir, as you know, I have just resumed my work in the Ministry. I look forward to working very closely with hon. Members. We want to extend electricity to all the constituencies in Kenya without discrimination. As you know, energy being the agent of our socio-economic development, knows no politics. Energy does not know any tribe. Both the Opposition and the Government need energy in equal measures. Therefore, I would urge hon. Members on both sides of the House not to play politics with this Bill. Let us look at the interest of Kenyans. Let us all support and adopt this Bill because, sincerely speaking, it is of immense benefit to all the people of Kenya.

Lastly, Mr. Deputy Speaker, Sir, because I have not spoken in this House for a long time, let me take this opportunity to inform my colleagues that I have now experienced some transformation. I am now born again.

(Applause)

As far as politics is concerned, you are not going to hear Mr. Kiraitu Murungi in politics of noise and confrontation. I do not want to quarrel with anybody. I want to work very closely with my

colleagues. My mission is to fight darkness, and ensure that every Kenyan, wherever he or she lives, has access to modern forms of energy.

Thank you Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Well spoken, Mr. Minister.

Mr. Raila, please, proceed!

Mr. Raila: Thank you Mr. Deputy Speaker, Sir. I want to begin by congratulating the Minister on his reappointment and for the statement he has made, that he has undergone transformation, because he has been baptised with fire.

(Laughter)

From this side of the House, we would not like to criticize the Government for the sake of doing so. We are going to make constructive criticism. That means that where we see loopholes, we will point them out so that the Government can plug them. Energy is very important to the economy of a country. It is like the blood vessels or the nerve system on the body.

Mr. Deputy Speaker, Sir, I am pretty conversant with the origin of this Bill. The preliminary work actually started under my charge in the Ministry. Overhauling the regulatory framework within the energy sector is long overdue. The need for it was seen when we were in the Ministry. This economy cannot be expected to grow unless we deal with this critical issue of energy.

We talk about this country being industrialised by 2030. Of course, what we have done is just to postpone the KANU bench-mark of 2020 by ten more years. As we talk about being industrialised, we must address the issue of the provision of energy. You cannot industrialise without energy. To date, our total installed capacity is only 1,200 megawatts. That is equivalent to the consumption of some cities in Europe. If we hope to industrialise, then we must be more creative in addressing this issue of energy.

We know our limitations. I want to begin here with electricity. Our sources at the moment are mainly hydro, petroleum, geothermal and very little of solar and others. We are close to exhausting our hydro capacity when we are talking about mega hydro electric power plants. We need to look at other areas. In as far as hydro is concerned, we still have not exploited the potentials in western Kenya, namely, the rivers that flow into Lake Victoria. There is Sondu Miriu. There are rivers like Kuja, which has not been looked at properly, Yala and Nzoia. There is still capacity in those rivers for power generation.

Mr. Deputy Speaker, Sir, we have also been using fuel in thermal power plants. This, of course, is very expensive because it is tied to petroleum products. We know that as the price of crude oil increases, so will the price of the energy generated from those sources. We have not yet fully exploited other sources, for example, geothermal. Kenya is only second to New Zealand in terms of geothermal resources. At the moment, we are just scratching the surface of the potential that we have. We need, therefore, to aggressively explore and exploit the potential that we have in geothermal.

The other source is wind. When I was in charge of the Ministry, we completed the national wind-map of this country. There is also quite a substantial potential in wind. For example, in an area like Marsabit, you can generate up to 300 megawatts. Around Turkana, we also have very high wind speeds. If you go to Europe, and I was in Germany just last month, you will see so many windmills all over the countries because it is a very cheap source of energy.

The other sources are bio and ethanol. During the oil crisis of the 1970s, this country initiated the construction of ethanol producing plants. One was constructed in Muhoroni and another, which has stalled, in Kisumu. The two plants are now working. In this Bill, there is no mention at all of the use of ethanol. For the information of the hon. Members, it is now mandatory in most countries to use ethanol where possible. Apart from being cheap, ethanol is also a much

cleaner source of energy than pure petroleum. For example, in Brazil, they plough to 20 per cent with ethanol. It is possible to do so. One would have thought that our experts in this country working on a Bill like this could not have missed the issue of ethanol.

Mr. Deputy Speaker, Sir, I want to declare my interest here because it is important for hon. Members to declare their interests when they are contributing on an issue on which they have interest. The fact is that the Government initiated the construction of these plants precisely because it wanted to do the blending, so that they could use the local raw materials that would also provide employment for the people of this country. It is necessary that at this moment in time, this be factored in this Bill.

I mentioned one time when we had a workshop that we must be creative in this and we should not be conservative. We should look at the possibility of going nuclear also. The use of nuclear power for peaceful purposes is universally accepted. Nuclear reactors are capital intensive initially, but in the long-run, they are much cheaper. In Europe, Japan and even the United States of America, they are developing new generations of nuclear power plants. We should look into this. It will be cheaper for us to take a 1,200 megawatts nuclear plant and instal it here. We must be pro-active because all these countries are doing it.

Mr. Deputy Speaker, Sir, I was talking, the other day, with President Obasanjo of Nigeria and he was giving me some of the positive things that he has done in the six years that he has been President. He told me that when he took over in Nigeria, the total installed capacity was 1,500 megawatts. From 1999 to 2005, they managed to increase the generating capacity to 10,000 megawatts. They increased the capacity from 1,500 megawatts to 10,000 megawatts within a period of six years.

So, I would like to urge the Minister not to be confined to some of the advice which he is going to be getting from the technocrats around him, who are looking at a very small section of this, but he should have a much broader perspective. It is the responsibility of the Minister to tell the technocrats that this is where we want to go. He should not allow himself to be led by the technocrats as far as the energy policy is concerned. He should create the policy and let the technocrats do the implementation. Our aim should not be to double our installed capacity, but to go fivefold in our installed capacity in the next five years. If you come up with a programme that is pro-active and implementable, this is achievable.

Mr. Deputy Speaker, Sir, I would like to talk about rural electrification. This is an infrastructure and should be treated just like roads, water and anything else. We know that rural electrification does not pay. In other words, when you talk purely in economic terms in terms of return on investment, it will not pay. We know that by taking energy to the rural areas, it triggers a lot of economic activities there. Therefore, when we are talking about poverty eradication, then we must address this issue of rural electrification. Therefore, when we are talking about poverty, we must also talk about the issue of rural electrification. We must be prepared to take electricity to all the vast lands of our country. That is what will help us to stem the rural-urban migration, because people will be able to set up *Jua Kali* projects which can generate income for people who live in those areas. So, rural electrification must be done and I urge the Minister not only to look at the rate of returns, but basically at what will happen when power is taken to those areas. We should consider the stand-alone systems which can be created in a number of market centres in this country. The wind and mini-hydros can be put up on small rivers. We can find examples of such projects in Vietnam and Malaysia which have successfully implemented the mini-hydro plants for rural electrification. We want to also ensure that there is some kind of equity in this so that the entire country is looked at, so that we do not concentrate only in what we consider to be productive parts of this country.

Mr. Deputy Speaker, Sir, on the issue of fuel prices, I agree with the Minister that we should not go back to the days of price-controls. However, we should regulate effectively and ensure that the cartel that has continued to increase the prices of oil products in this country is

controlled. Originally, the intention of creating the NOCK was to facilitate proper competition in the industry so that prices could stabilise. However, NOCK has not been allowed to operate commercially and that is the reason that the multinationals are behaving like cartels. So, NOCK, for a long time suffered from lack of efficient management.

Now, we have a Chief Executive who has come from the oil industry and knows the operations of the industry. However, there are still some handicaps and that is the reason why NOCK cannot do what is expected of it. The multinational corporations have a very efficient system of management for operations. Sometimes, even decisions being made here and requiring sanctions from London, New York and Paris, that authority is given within 24 hours. We cannot allow NOCK to compete with BP Shell and Total among others, when decisions are made by bureaucrats who look at their watches and keep correspondence suspended for months, within which time prices change and NOCK is denied to take advantage of the favourable practices.

We should completely delink and allow NOCK to operate as a commercial enterprise so that it does not have to refer every decision it makes to the Permanent Secretary because we have a Board which should be allowed to operate independently.

If there is a problem, then there are auditors who should audit the Board. Macro-managing the Corporation is what is responsible for the inefficiency in the Corporation. So, let us have a professional Board and professional officers who can compete with the private sector enterprises.

Mr. Deputy Speaker, Sir, the issue of competition between KenGen and KPLC is something that the Minister is competent to deal with so that the consumer is not unnecessarily exploited. We equally ask the Minister not to consider the issue of raising tariffs at this moment in time. I think there is sufficient profit being made by those who are in the industry. Other countries have liberalised further generation, transmission and distribution of power. So, this is another area that the Minister may consider to liberalise further so that we delink generation, transmission and distribution. In the USA and several other countries, it has been found to be very beneficial.

As far as the ERC is concerned, I have no problem with it. However, I have a problem with the composition and the manner in which the commissioners are supposed to be appointed. We are supposed to delink it from all bureaucracies so as to create an independent regulatory commission. But when you look at the manner in which the commissioners are being appointed, you will see that the Chairman has to be appointed by the President, and the two Permanent Secretaries. Five members of the Commission have to be appointed by the Minister, supposedly from various stakeholders. We need to be more specific so that this is not left discretionally. Therefore, those stakeholders should be named and they should propose names to the Minister. Mr. Deputy Speaker, Sir, secondly, we have reached a stage where we must take cognisance of our geographical diversity in this country so as to ensure that when we are proposing a member to the Commission, we look at the country in general and not just his or her qualifications.

Mr. Deputy Speaker, Sir, looking at qualifications is responsible for the disparity in a number of commissions in this country. We have reached a stage where we should factor this in all our Acts; that, when we are appointing members to a commission, we take cognisance of the border picture. In this regard, we should borrow a leaf from Malaysia. In Malaysia, there is a formula in many regions that when you are looking for a person with certain qualifications, you must look for him or her from a certain region. That is the only way we will get an El Molo serving in some of our commissions. So, when we are looking for qualifications and competence, we must look at someone from El Molo. Otherwise, if we continue to look for any individual, we will continue to complain day in, day out. When we are looking at the composition of the ERC, we should also look at what has happened to other commissions so that we are not left with a distorted figure. However, we need to factor, within these Acts, something to ensure that whenever we are making appointments, there is some kind of parity.

As far as the independence of the ERC is concerned, we need to have a true independent regulatory commission. The Bill is supposed to liberalise it.

Mr. Deputy Speaker, Sir, when the Minister is looking at the prices of petroleum products, he should look at the issue of taxation. Taxation of petroleum products is very high; it is higher than what it costs oil companies to buy crude oil, transport and refine it and eventually distribute the processed petroleum products. Kenyans need to understand that the high cost of fuel in this country is not because oil firms want to make exorbitant profits. It is as a result of very high taxation. The Minister should try and spread the taxation net wider rather than singling out specific products. This is what is hurting the consumers.

Mr. Deputy Speaker, Sir, if you look at the price of paraffin, which is highly used by poor people in Kibera, it has gone up nearly three times in the last three years. I urge both the Minister for Finance and the Minister for Energy to look at this factor globally, so that consumers are not made to suffer very much.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to support.

Mr. M'Mukindia: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to also contribute to this very important Bill. From the outset, I wish to congratulate the Minister and his team for bringing this Bill to Parliament. It is long overdue. I also wish to congratulate him for recapturing his seat. That is a very rare feat in this country. I also recognise his commitment to ensuring that this country is well lit. I want to assure him that those of us who know him will try to assist him in this very important endeavour.

Mr. Deputy Speaker, Sir, I welcome this Bill because it sets up, as the Minister said, a complete and new liberalisation of the energy sector, especially in the area of electricity generation, distribution and transmission and, to some extent, the petroleum products. I, therefore, support this Bill and welcome the setting up of the proposed Rural Electrification Commission (REC) and the setting aside of five per cent levy to ensure that we have a fund which can be used to ensure that we provide electricity in areas where it may not be economically feasible to supply electricity purely on economic grounds.

Mr. Deputy Speaker, Sir, I also welcome the fact that the area of petroleum products will be looked at more carefully. For example, drivers will need to be licensed to ferry petroleum products, which is very important because these are dangerous products. I also note that local authorities will be required to provide safe parking areas for trailers and tankers that carry flammable petroleum products. I suppose this should also include chemicals as well, not just petroleum products.

In any case, once the law is in place, drivers will be required to actually park in specified areas. Local authorities will be required by law to set aside those areas. There is also the issue of environmental health and safety, which will be looked into more specifically. I welcome the setting up of the ERC.

In the area of electricity distribution it is now clear that the KPLC will not just set up power lines on people's land. They will require to be allowed by the owners of the land to get way leave. At the moment, most *wananchi* do not know that is a requirement. This will be very clear. If necessary, compensation will be paid by whoever wants to put up a power line through somebody's land.

Conditions will be negotiated between the owner of the land and the company that wants to put up that power line. This again gives some rights to *wananchi* in so far as the usage of their land is concerned. What I do not know is whether this is likely to be retroactive because this issue was never raised when most of the power lines were being put up.

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! Could you, please, consult in low tones?

Mr. M'Mukindia: Thank you, Mr. Deputy Speaker, Sir. I would have liked to see a little bit more in the areas of many hydros and bio-mass. I do not think this Bill goes far enough to highlight the importance of the supply of electricity in the rural areas using many hydros.

As Mr. Raila said earlier on, if you visit places like Meru, especially in my constituency, there are five rivers where electricity can be generated and supplied more effectively around the area than having power distributed all the way from Kindaruma Dam. It makes a lot of economic sense. This will encourage local employment, local technology transfer and so on. I do not know how the ERC will ensure that this is done. Rather than the ERC merely being a regulator sitting in Nairobi and hoping that this happens, it should be pro-active. It is not clear how this will be done. Saying that we will leave it to the forces of the market, especially the private sector, for example, is not good enough. Again, whoever invests in that area will have to make money out of it. Is this feasible or will it be financed by the Rural Electrification Fund (REF)? This is not quite clear, but this is something that can come up, perhaps in the rules or regulations.

Mr. Deputy Speaker, Sir, there are two areas which have not been covered properly. As I have mentioned, one is that of the bio-mass. I want to strongly support what Mr. Raila said a few minutes ago, that the setting up of the Agro-Chemical and Food Company (ACFC) in the 1980s and the Kisumu Molasses Plant (KMP), were purely meant to mitigate the effect of high petroleum prices in this country and save Kenya foreign exchange. That reason is still valid today, irrespective of who owns those plants or whatever happened. If there is a culprit somewhere, the law should take its course. However, we should not take away from Kenyans this gain. It is for that reason that the Ministry must be very clear. Could we go back to blending petrol and gasohol with power alcohol? It makes a lot of sense not only for saving money, but also making money for our own people who are planting sugar-cane. This will also create jobs for the people who were working with ACFC, Muhoroni and the KMP. This will also encourage Mumias Sugar Company (MSC), Sony Sugar Company (SSC) and Nzoia Sugar Company (NSC) to create facilities to make power alcohol out of the bio-mass that they have, apart from, of course, generating electricity as they are doing at the moment.

Mr. Deputy Speaker, Sir, talking about alternative sources of energy, let me take this opportunity to recognise a concept that is very new in this country. I am happy that I see the top officials of the Ministry of Energy here, including the Permanent Secretary and the Managing Director of the KenGen. A week or so ago, we saw that Kenya will sell carbon. We want to encourage other companies to take a cue from what KenGen has done to actually benefit from the World Bank carbon credit trading system. We know the potential there is huge, but we need people with imagination, who can get the benefits for this country. There is no point of KenGen going out of their way to sell this carbon credit and here we are with ACFC and NSC, and we do not want to take the credits. It does not make sense.

Therefore, if we have to be consistent, we must follow what KenGen is doing, by taking over what ACFC was doing and what KMP should be doing and encouraging the NSC to produce power alcohol.

Mr. Deputy Speaker, Sir, that is only on the issue of petroleum products, but how about bio-diesel? There is no mention of bio-diesel in this Bill. Kenya has the potential to produce all the diesel we need in this country. We do not need to import diesel. There are plants in this country and worldwide that can be used to produce bio-diesel. India is an example of a country where this is being successfully done. The *Jatropha* is one of the major plants, which we can grow in the whole of Ukambani, Isiolo and Tharaka. This plant does not need to be tended. You plant it, it produces fruit with oil of up to 35 per cent. At this stage, you squeeze it and you get diesel straight away. That employs people and ensures our country is green. That means you can also sell it as carbon black again. Why is there no mention of this extremely important issue of bio-fuel in general? I want to tell the Minister that this is a very big omission and I think that at the Committee Stage, he should see how best he can ensure that the Energy Commission puts some effort and money into promoting not just bio-fuel but bio-diesel in particular.

I know that already some people in this country are trying to do this work on their own, without much support from the Ministry. I understand the Minister has a lot in his hands. But once

this Commission is set up, then they ought to have the ability and the man-power to ensure that this very important area is not ignored. In fact, it should be actively promoted to ensure that those who live in the very dry areas of our country benefit by producing energy from those lands.

Mr. Deputy Speaker, Sir, the other area that the Minister has not covered in this Bill, which I think is a major omission, is the area of exploration, production, storage, transportation and shipping or marketing of crude oil, natural gas, coal and other bituminous fossils. I must also declare my interest in this matter. I have been a Minister for Energy before and I know these things. I also have family members working in this industry. So, hon. Moi knows I resigned from his Committee because of that. Nevertheless, the facts are very clear. This is an industry I have worked in for many years.

The thing is, natural resources all over Africa have been more of a curse than a blessing. In the current magazine from the Petroleum Institute of East Africa, one of the officers there went to Nigeria. You should see the pictures of that lady in a pool of oil in the Nigerian delta. You cannot believe that companies like Shell and Mobil who talk about environmental protection and good governance are the ones who are drilling oil in that delta today. You cannot understand why the Nigerians keep killing each other every day and the people in Shell, London, Chevron, New York and Houston are driving the biggest cars in the world.

There is a big danger that this country may discover huge amounts of oil. Is that going to be a curse or a blessing? The Minister must be encouraged by this House, and I want to encourage Members that this is not an issue to put off until tomorrow. It is an urgent matter that must be addressed by this House in this Bill.

Therefore, the Departmental Committee on Energy, Communications and Public Works must bring an amendment to ensure that the issue of how we manage potential crude oil discovery in this country, natural gas, the coal in Ukambani and many other places, for the benefit of the people of this country is clarified.

(Applause)

Otherwise, if we leave this loophole, it is endangering the whole country. I have nothing against the Minister or his technocrats, but it is our responsibility as elected Members to ensure that where we see a danger to this country, we blow the whistle at the earliest possible opportunity. This is the area that I really believe that we ought not allow our Bill to go through unless a proper amendment is brought to ensure that this area is covered. We all know these things.

We know the war in Angola is because of oil and diamonds. We know the war in the Democratic Republic of Congo is because of natural resources wealth. There are no laws in those countries as to how these natural resources will be managed for the benefit of the country. Leaving this to the Permanent Secretary and the Minister is exposing them to very dangerous times either to them at a personal level or as a Ministry. We must debate this matter and adopt what is good for this country.

I propose, therefore, that in bringing an amendment, either we expand the role of the Commission to cover possible fuel exploration, production and so on, or create a totally new body or allocate responsibility to somebody else. But it cannot be left merely hanging in the air without anybody specifically responsible for this area and how they can be accountable to the nation and to Parliament.

Mr. Deputy Speaker, Sir, I also want to encourage the Ministry to think carefully about transparency in terms of extractive industry. Again, it falls on this issue of having blood diamonds or blood natural resources which do not help the citizens and end up just creating one war after another. Kenya must be prepared to join the international community that created this Extractive Industries Transparency International to ensure that we are transparent in the way we manage the funds that we get from any natural resource. We ought to do this to ensure that we do not have a

problem that other countries in Africa have.

Mr. Deputy Speaker, Sir, I also wish to join hands with my colleagues in saying we should not be afraid of doing something in so far as nuclear energy is concerned. I think if countries like the USA are now designing new plants for nuclear fuel production, we should do it as far as it is for peaceful usage. I think we can do that as long as we go by International Atomic Energy Agency Regulations and we should be able to gain a lot in this area.

Mr. Deputy Speaker, Sir, I also want to thank and encourage the Ministry in the way they are handling the geothermal area. I think KenGen is doing a very good job and we want to encourage them in this area. But while geothermal is one area, I think the area of biomass has been totally ignored. Secondly, let us have a regulatory mechanism on fossil fuel exploration, production, storage, marketing and so on, so that we have a transparent way of handling this thing. Knowing from the media and all reports that the exploration exercise is entering into another phase, it is even more urgent that the Minister, within the next one day or so, brings in amendments to this Bill before people in Lamu start doing something. This is very important because if we discovered oil today, the politics of this country will change and we may not be able to pass this Bill here. You and I know that, that is true and so we have to do it today. This week, we have to pass this Bill because we do not know what will happen next week. Again, this is a very dangerous thing and we cannot afford to leave it in the hands of one or two people. We are talking about the potential wealth of this country which is so many billions of US dollars.

Mr. Deputy Speaker, Sir, with those few remarks, I would like to urge hon. Members to push for this amendment.

Mr. Moi: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to comment on the Energy Bill.

First, allow me to give a synopsis of what the Departmental Committee on Energy, Communications and Public Works found out with regard to the overall assessment of the Bill. Basically, the Bill was consistent with the Sessional Paper No.4 of 2005. Some of the objectives in that sessional paper included the creation of the Rural Electrification Authority, the implementation of the Rural Electrification Programme (REP), legislating a new Energy Act and creating a common energy sector regulator.

Our Committee found out that the Bill has major weaknesses. First, it is primarily about electricity. There are 52 provisions in the Bill that talk about electricity. There are only 22 provisions on petroleum. The Bill is almost quiet on renewable energy. This has only been addressed in four provisions in the Bill. It is, however, virtually silent on environmental issues. What else did we find missing in this Bill?

[Mr. Deputy Speaker left the Chair]

*[The Temporary Deputy Speaker
(Mr. M'Mukindia) took the Chair]*

Although there exists provisions on renewable energy, they are perfunctory. A good example I can cite here is the issue of ethanol power which hon. M'Mukindia has eloquently elaborated. In Brazil, ethanol power is used in 20 per cent of the means of transport. Ethanol has paid Brazil over US\$120 million compared to its oil imports. Here in Kenya, we have a potential in our sugar belt areas, which is approximately 1.7 billion tonnes of biogas produced from our sugar industries. This is equivalent to 323 million tonnes of petroleum oil. In terms of money, it is about Kshs200 million. You can see exactly what that would translate into in terms of energy costs.

Our Committee felt that we need to amend the Bill to create an energy research fund with a mandate to look at renewable energy and energy-saving technologies. These technologies include solar energy, thermal energy and wind energy of which we are aware something is being done

although not adequately.

The Committee realised that there were important issues which needed to be dealt with. Hon. M'Mukindia raised a few facts which the Committee had also pointed out. The most important of these facts is the issue of carbon credit. The Committee feels that, in the Bill, we need it to be demonstrated that there will be a sector which will be doing nothing else, but looking into how they can exploit carbon credit potential for our country.

We know that KenGen signed a carbon credit agreement. However, we would like to see a more serious engagement in the signing of this agreement. Overseas investors will not be interested in one or two miniature hydroelectric power stations. If there is a pool of say, 50 or 80 mini hydroelectric power stations, then they can have the potential to attract investors. That way, we shall be able to get our carbon credit.

Hon. M'Mukindia also mentioned something about geothermal power. This is one area that should be exploited because it will result in the production of kerosene, biodiesel and so on. We must be resilient and robust in giving incentives to those who would like to invest in this area of energy production.

One other issue the Committee felt that should be addressed is the autonomy of the ERC. In Clause (4)(2) of the Energy Bill, 2006, the commission is said to be independent in the performance of its duties, but there are no steps to secure that independence. The Chairperson of the ERC is appointed by the President. The Commission also is composed of two Permanent Secretaries, that is, from the Ministry of Energy and the Ministry of Finance and five commissioners appointed by the Minister to represent the private sector. This is not, however, done in consultation with the private sector. It is better to have a professional regulatory commission instead of a stakeholder one. The Committee felt that Parliament should have the right to vet appointees of the ERC.

Mr. Temporary Deputy Speaker, Sir, the independence of the ERC is also complicated by transition provisions. If you look at Schedule IV of the Bill, it provides that the current Electricity Regulatory Board (ERB) should be the ERC. The current ERB members are in a position to serve another eight years and six years more if the Board is turned into the ERC. This will happen without us being given an opportunity to ask whether they are the best placed to regulate the energy sector. We need to be allowed to state whether we are satisfied with the way they performed in their previous jobs.

The appointment of Commissioners as stipulated under Clause 10 counters the current practice where senior appointments to such a body are vetted by Parliamentary Committees. We felt that the appointment of the Director-General, who is the CEO of the ERC, should be competitive. About the required qualifications for appointment to the ERC, we felt that the Bill should not only talk about senior managers, but also people who have been senior advisors and researchers in energy policies and legislation.

We also felt that the adjudicatory functions should be removed from the ERC. This will be included in the amendments that we shall bring in the Committee of the whole House. Another issue we thought should be dealt with is the definition of "unreasonable tariff". The definition, as it is now, neither includes consumer protection elements nor does it allow for public petition and so on. We shall also bring amendments to that effect.

With regard to disconnection of power, the Bill allows for power suppliers to disconnect power in a business premise that belongs to a client who has another unrelated business premise elsewhere. So, if say, an hon. Member's wife living upcountry forgets to pay electricity bills for her business premise, the power supplier would come to Nairobi to disconnect power in the business premise of her co-wife. That is not fair at all. This is under Clause 61 (c).

Mr. Temporary Deputy Speaker, Sir, the Bill has no provision with regard to emergency power supply for, say, hospital theatres, disaster zones and so on.

Mr. Temporary Deputy Speaker, Sir, lastly, another issue is the Board of the Rural

Electrification Authority (REA). The composition of the Board is subject to the same objections as that of the ERB. We find that it is not clear why the Central Organisation of Trade Unions (COTU), Federation of Kenya Employers (FKE), Kenya Association of Manufacturers (KAM) and the Association of Engineers (AOE) and others are entitled to nominate the Board members but not, say, Kenya Tea Development Agency (KTDA), the Association of Local Government Authorities of Kenya (ALGAK), K-Rep and other organisations which have deep rural roots.

Mr. Temporary Deputy Speaker, Sir, the Committee looked into the issue of rural electrification. We felt that the fund be public. The fund must come under extreme scrutiny and we believe that members of the board must be given performance targets so that we know what percentage in the year they will access in the rural countryside. So, our targets are 10 per cent, 15 per cent or 20 per cent. Uganda has done it very successfully where their penetration is constant at 10 per cent. As you heard, the "born-again" Minister told us that he is going to make sure that there will be light all over and we congratulate him on that.

Mr. Temporary Deputy Speaker, Sir, the other issue which we really need to look at is the traditional biomass. I am saying this because it serves no purpose for us to say that we are going to start building massive dams when we know that in 20 years time down the road there will be no water because we have destroyed our catchment areas, all the trees and *et cetera*.

It is very important that we look at renewable energy and I keep repeating that we need, in the amendments, a special section dealing with that. We mentioned solar power, wind and other potential energy sources.

Mr. Temporary Deputy Speaker, Sir, we also feel that, again, Kenya Power and Lighting Company (KPLC) needs to be privatised; more so especially in the area of distribution. We need to bring in more players and investors to come and invest in our transmission and distribution. So, we have plenty of amendments as a Committee. As I said, we are happy and feel that it goes the way to addressing a Sessional Paper but we feel that there are amendments which we need to put in, in order to strengthen it and especially strengthen it in the issue of renewable energy sector.

Mr. Temporary Deputy Speaker, Sir, finally, our overall conclusion was that the Energy Bill is inadequate to modernise the Kenya energy sector in a manner that would ease and strategically secure Kenya's energy supply until we put in these amendments which I will be talking to the House about it in details at the Committee Stage.

With those few remarks, thank you.

The Minister for Finance (Mr. Kimunya): Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support this Bill which comes at a time when we need to sort out our energy requirements. Let me start by congratulating, not just the team that has been putting it together but also our players within the industry; whether you are talking about generation and distribution of energy and the efficiency with which our parastatals are run. We have seen them perform well in their performance contracts. We have seen them paying dividends and we now know that if all this money is coming to the Exchequer, I think the question Kenyans will ask at some point is where this money used to go and indications are coming out, whether you are looking at the media, in terms of where the riches were being accumulated.

Mr. Temporary Deputy Speaker, Sir, the energy sector is very critical for our country. Kenya is on the move and we all believe we are getting into that direction. As we look into the future, whether you are looking at the aspirations within the Vision 2030, where we want to take this country in the next 25 years; to make it a country with a higher quality of life which will be joining the ranks of the prosperous nations in the middle-income category, our power will be very critical in ensuring that we can support the growth which we expect to sustain at not less than 10 per cent in terms of Gross Domestic Product (GDP). We cannot do that obviously without stable power supply, regulation frameworks and proper incentives that will bring in the various investors.

Mr. Temporary Deputy Speaker, Sir, the time to invest is now and we have tested it. Thanks to the oversight and foresight of the Kibaki Administration. We planned well even in the

last drought and instead of having power shortages, we indeed ended up with power surpluses that we have been able to share with our neighbours. So, the experience learnt from that is that if we need to sustain our energy requirements in the long-term, the time to plan is now and I believe that this law provides us with the legal framework for purposes of ensuring that we can extract more energy from different sources. We can harness and bring together both the petroleum, electric, biomass and all manner of energy and look at them from the wholistic picture by looking at it from a bird's eye view rather than by the segregated laws as they were. So, I am very happy that at least we have been able to capture all that together.

Mr. Temporary Deputy Speaker, Sir, in terms of our rural areas, again 70 per cent of our Kenyan people derive their livelihood or at least some form of income from operating within the rural areas and I am very happy that rural electrification is taking a different dimension with the REA. We all know how much money has been pumped by our farmers and people in terms of paying for rural electrification supply and this money seems to have disappeared into some hole. We do not seem to be getting enough power and I hope that this REA will disentangle all that and ensure that everyone, or at least the majority of Kenyans including 70 per cent of rural Kenya is opened up for development through provision of clean energy that we can use to uplift their lives and lighting up the towns so that there can be life and people do not have to go to bed at 7.00 p.m or 8.00 p.m. with the resultant impact this has had on population growth and other issues that could be avoided by basically lighting up the rural areas.

Mr. Temporary Deputy Speaker, Sir, turning to fuel, I am happy that now we will have the framework, not just to sort out the players within that industry, but more importantly, for us to provide the strategic reserves and stocks that we need as a country which will hopefully bring down pressure on the other players to change and to charge fair prices which is not what we are seeing today. I have been on record in appealing to the players in the spirit of self-regulation and promoting it, respecting the spirit of a liberalised industry and I am happy that at least some of the players have come down.

We have seen prices come down in the last month by up to Kshs5. Some are still reluctant and I do believe that it is through this framework that we are going to make sure that everyone complies because whatever prices we charge on the pump prices on fuel has a knock off effect on the rest of the production and we could either promote the growth of the other industries or stifle it by the other exorbitant charges.

Mr. Temporary Deputy Speaker, Sir, while contributing to this debate, some hon. Members mentioned the issue of heavy taxation in the energy sector. Taxation is, indeed, high in the energy sector. However, that is the practice the world over. That is how it should be. Motor vehicles are owned by people who can afford. So, in terms of the very basic tenets of taxation, which include affordability, our tax regime on this sector has passed the test.

In terms of the toll it has on our roads, again, we are spending so much money on our current and future infrastructure. If we do not get motorists who are the prime users of that infrastructure to finance its development, we will be failing on our part. We should not be taxing other Kenyans to provide for the development of the road infrastructure. So, I believe that our taxation is fair.

In fact, we should think of raising the level of taxation in future to cater for the impact of petroleum pollutants on our environment rather than think of any reduction. So, again, this is a straightforward matter.

Mr. Temporary Deputy Speaker, Sir, before I conclude, I would like to say something about the appointment of the proposed Energy Commission and its independence. That is an issue which has been coming up frequently in this House. As a House, we should recall the lessons we have learnt from the various independent bodies we have created, including our involvement in approving the appointees. As Parliament, we need to ask ourselves what value we add to independent appointments by the President when we endorse them.

We should bear in mind the principle of separation of powers among the three arms of the Government; namely, the Legislature, the Executive and the Judiciary. We should also remember that the buck stops with the President in terms of service delivery by those bodies. The President has a responsibility to the electorate, who elected him to that office and look forward to seeing him deliver on all the election promises he made to them. When, as Parliament, we interfere with his performing of that function, what value do we add, except to bring in political considerations in terms of who gets appointed to what commission and who does not?

Mr. Temporary Deputy Speaker, Sir, I believe that, as Parliament, we should legislate on the qualifications that are required for one to be appointed to such bodies. With the help of the relevant Departmental Committees of this House, we can always establish, subsequently, whether the authorities appointed people to those bodies in accordance with the law or not. I believe that, as Parliament, we should desist from the temptation of playing the law maker, the appointing authority and the referee at the same time, to see whether the person we have vetted and cleared for appointment is doing what we provided in the law. In such a case, we will have interfered with the Executive.

I believe that the experience we have got from the independent bodies that are in place bears me out. Their effectiveness and value have not been demonstrated. On that basis, I would support the provisions that are currently in the Bill. Let us define the qualifications of those to be appointed commissioners rather than bring amendments to provide for Parliament to prescribe who should be appointed and who should not be appointed commissioners or, worse still, sit in a Committee of the whole House to vet names and say who qualifies and who does not qualify for appointment as a commissioner.

Mr. Temporary Deputy Speaker, Sir, that is something we need to agree upon amongst ourselves. As Parliament, we have our own responsibilities and the Government has its own responsibilities. Together, we can only be doing these things for the benefit of our people. So, again, this is a straightforward Bill. I hope that we can give Kenyans the Act they require, by bringing together the various energy sub-sectors, so that we can look at them from one framework.

As a stakeholder of forests, with the Aberdares Forest forming a substantial part of my constituency, I am encouraged that we are going to develop alternative sources of energy, with a view to reducing the use of wood fuel in the country in order to protect our catchment areas. That means our rivers will continue to have water in future. Therefore, I would like to urge the House to pass this Bill as soon as possible, so that we can take advantage of the current rainfall to plant more trees in our forest areas. More importantly, we can protect our forests for our future power needs within a sustainable framework.

With those few remarks, I beg to support.

Mr. Ochilo-Ayacko: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to make my remarks on this very important Bill. I want to take this opportunity to congratulate Mr. Murungi on his re-appointment as Minister for Energy. I want to equally congratulate him on his new-found position of being born-again. The political mood of this country requires a born-again person, so that things can move forward.

I also want to congratulate the persons who contributed to the drafting of this Bill. The Bill will go a long way towards improving what this country has been looking forward to. If I heard the Minister correctly, he said that his core mission is to fight darkness. I want to propose to him to add to his core mission, "the desire to provide Kenyans with affordable energy." Therefore, in the process of fighting darkness, the Minister should ensure that energy becomes affordable. If energy is unaffordable, Kenyans will have only a pipe dream. They will not get the reality that they have been looking forward to. So, affordability is a very key component of what Kenyans are looking forward to.

Mr. Temporary Deputy Speaker, Sir, talking of affordability of petroleum products, this Bill seeks to make certain provisions on petroleum products, including natural gas. The other day,

this House passed a Motion which sought leave for the introduction of a Bill to this House, to empower the Minister for Energy to control the prices of petroleum products in this country. The concept of liberalisation has always been forced down our throats. Liberalisation is a concept we all agree with, largely because it has gained currency as the world trend that we should liberalise business, trade and many other things. I would, therefore, like to propose that we include a clause in this Bill so that, if necessary, the Minister may invoke to control the pump prices of petroleum products.

That way, we will continue to liberalise the petroleum sector, but the Minister will have a legal basis on which to intervene when petroleum dealers in the country become belligerent, as they are now. It demeans the authority of the Government for the Minister of Finance and the Minister for Energy to plead with dealers of petroleum products to lower the prices of the commodities. There should be a provision to be invoked by the Minister to control the prices of petroleum products whenever it becomes necessary, just the way the President of Kenya may, when necessary, invoke the emergency provisions and declare a state of emergency.

Mr. Temporary Deputy Speaker, Sir, as we all know, the prices of petroleum products keep on rising and falling, depending on the supply and demand of crude oil in the world market. Dealers of petroleum products in this country are quick to adjust upwards the pump prices whenever the price of crude oil increases in the world market. However, when the prices fall, they do not lower their pump prices. It is very offending for a Government with authority over a territory it operates in, to plead with business people to reduce the prices of such essential commodities.

Therefore, there should be a specific provision, which should be reluctantly invoked by the Minister responsible for energy when the desire for profit and personal aggrandisement drive petroleum products marketing companies to keep the prices up. This Bill does not have such a provision. Last week, Parliament resolved to give the Minister such powers. Power is sweet; it exercises what should be governed by law. However, we do not expect the Minister to exercise the powers we are going to give him just as such, but rather have them so that whenever it becomes desirous, he can exercise them.

What is ailing the petroleum sector is that the petroleum outlets where we buy the petroleum products are 95 per cent owned by the multinationals. Whenever they play golf together or go for holidays, what they think of is: "How much profit have I made for my organization?" I think what should happen, particularly in Nairobi and other areas where there is a high concentration of multinationals is the fact that the Government should reserve along the major roads sites for a public body like the NOCK.

If you drive along, for example, Langata Road, you will find that nearly all the possible sites there have been reserved for the multinationals. So, even if you are desirous of expanding the NOCK for purposes of offering effective competition, there is no specific site reserved for them there. If you drive along Waiyaki Way, you will find a similar situation. So, this has made it impossible for the much desired competition, which is a key component in a liberalized economy, to take foot.

You will also find out that people with modest capital; people who can compete in terms of offering competitive prices to the general public have not been given what we call a "low enough entry point" to market petroleum products. Currently, there is a requirement that people who trade in petroleum products must be associated in a commercial way with the oil refinery. That, in a way, adds to the business cost that those independent petroleum traders have to get involved in. You will also find that there is a requirement in our pipeline, I do not know whether it is still there, it is called line--- New entrants are required to adhere to it in order to have access to the pipeline. In other words, the cost of entry into petroleum business has been inhibitive, and this has made it very difficult for new entrants to come in. So, you can predict that next year, the same, same players will be there. This year, the same, same players will be there. That has tended to create the monopolistic or oligopolistic pattern that we see in the petroleum sector.

Mr. Temporary Deputy Speaker, Sir, the petroleum sector affects price in this country, and it is important for us to keep sight of it. The Minister for Finance spoke ahead of me, and it is important for his representative, if he is not here, to note that another factor that makes it very expensive for us to access petroleum products is the level of taxation in this country. We need to keep focus. We need to look at what percentage in terms of the price build up we are putting on the tax. Taxes on petroleum products are very high and I think that is part of the reason why we are buying a litre of petrol at nearly Kshs80. It may appear good to collect a lot of tax, but if that tax is occasioning poverty and desperation, I think it is the responsibility of the Government not to lose sight of the component of affordability when it comes to the provision of energy in this country. While still on that point of affordability, I would like to urge the Government, particularly the Ministry of Finance, to note that they have never availed sufficient money to the Ministry of Energy. Energy is very important to this country. We keep on saying that we do not have sufficient electricity in terms of capacity and distribution, but these things do not come for free. These are things that come with sufficient budgeting, sufficient allocation of money and also sufficient training given to the people who are supposed to handle this task. So, it is important for us, as a country, to keep on budgeting sufficiently for the Ministry of Energy so that we do not bark at them or complain to them when we do not give them the money and what it takes in terms of material support to reach out to Kenyans in terms of provision of electricity.

Liberalization, as has been said by myself and the speakers who have spoken before me, does not mean that the Government abdicates its responsibility of providing energy. I think that liberalization means inviting the private sector to participate in the areas where they are best equipped to participate. But it does not remove the responsibility from the shoulders of the Government in terms of provision of energy. So, as we continue to liberalize, and we are privatizing the KPLC, let us know that it is still the Government's responsibility to distribute energy. Let us know that the responsibility to extend the provision of electricity, not only to rural areas but also to upcoming urban areas and places, like Mandera and Lodwar, which may not fall within the Rural Electrification Agency, is still squarely the responsibility of the Government. So, as a Government and Parliament that desires energy, we must make sure that we provide sufficient money to areas that may not be covered by the Rural Electrification Agency.

Mr. Temporary Deputy Speaker, Sir, the establishment of the Rural Electrification Agency here is timely because access to electricity in rural areas has been very slow. Perhaps, it has been very slow because it was left to the Ministry of Energy, which was not equipped with the infrastructure to do so. It was also left to the KPLC, which had to balance between the desire to get some profit, meet its overheads and also provide rural electrification. It is timely to have an independent or autonomous agency that is going to provide electricity to rural areas because that agency may look at it in terms of fairness and may also apply itself more than other departments, like the Ministry of Energy, which has policies to look at and which also has oversight responsibilities and many other issues to attend to.

Mr. Temporary Deputy Speaker, Sir, the establishment of this agency and the Energy Regulatory Commission is good. But the point that has been captured by the speakers before me to the effect that its appointment and composition may not capture professionalism is something that needs to be addressed. If you look at the qualification of the chair, it says:-

"The chairperson shall be appointed by the President".

That is the only qualification. It is not captured here that the chair shall be a person of this kind of learning or this kind of knowledge. It is only said that the person shall be appointed by the President.

Today, we may have a good President, or let us say that, yesterday, we had a good President. But what we do know about the future? Assuming we have a President who, for one reason or the other, may have his own description of a qualified chair, we may wind up in problems in terms of the competence of the chair. So, it is important that we not only capture the mode of

appointment, but also the qualification of the appointee. The Permanent Secretary, Ministry of Energy and the Permanent Secretary, Ministry of Finance are members of the ERC. The Director-General is also said to be an appointee of the Minister, as recommended by the ERC, and qualifications are put thereunder.

The other members of the ERC are said to be appointees of the Minister as representatives of stakeholders who are not named. I think this may occasion serious problems. It is something that we should improve upon. What we need to have is not an independent energy regulatory commission, but one that is autonomous in terms of its discharge of its professional duties. If you look at the word "independent" it may mean that it is pulling away from the Government. I think what we need to have here is a commission that is autonomous in terms of its discharge of professional responsibility. So, we need to capture a mode of appointment that will take on board professionals. When they are discharging the onerous functions that are bestowed upon them by this Bill, they should be doing so in a manner that is not interfered with by anybody, but which is guided upon by the policies put in place by the Government. So, "independent" as interpreted by other people may be erroneous. This is because we are not establishing a constitutional body, but moving down to the best practice where professionalism is used to augment Government functions.

If we look at how the members of the rural electrification agency are also appointed, I think the points that apply to the ERC also apply to it. This is because what modern governments are putting in place is professionalism to get the best professionals to augment Government services to the people.

I want to conclude by saying that it is not true that we have not been having legislation in this country. What we have been lacking is sufficient budgetary support for the departments of Government that are supposed to provide these services. So, we may pass this Bill and enact it into law, but if we do not give it sufficient funding, this beautiful objective and very good words that have been put in place may come to naught because we have not budgeted for them sufficiently.

With those few remarks, I beg to support.

Mr. Angwenyi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this very important Bill. Right from the outset, I would like to thank the Minister for Energy and his staff who have been working tirelessly to provide energy to the people of Kenya. I also want to thank them for coming up with this Bill which, I believe, will address a number of issues that have made it difficult for Kenyans to access electricity in this country.

Mr. Temporary Deputy Speaker, Sir, energy is the heart of any economy. If 60 per cent to 70 per cent of Kenya could access electricity, this country would develop much faster. Maybe, those who doubt that it is actually developing, would be able to see it developing. But energy in Kenya is inaccessible and unaffordable to many people. Those are the two issues that are being addressed by this Bill. Energy is inaccessible because we, as a nation, have not invested in developing the sources of energy. For example, we do have geothermal energy in this country. If we were to invest in it, it would produce approximately 3,000 megawatts. That is three times the energy needs of this country. With this kind of supply, we would be able to export about 2,000 megawatts and hence, earn foreign exchange for the next ten to 15 years. We will be able to supply Tanzania and Uganda with electricity. But we have not invested in this.

Mr. Temporary Deputy Speaker, Sir, we do have large quantities of coal in Mwingi and Kitui districts. I am told that it is enough to produce 800 megawatts per year. A month ago, the Committee on Energy, Communications and Public Works was in Germany. It also visited South Africa in September. We found out that the energy that moves the economies of Germany and South Africa is basically coal. If we were to exploit those resources in Mwingi and Kitui districts, maybe, their residents would be relieved of seeking relief food every year. Their dignity would be improved and the economy of this country would grow. We do have enough renewable energy in this country, for example, solar energy.

Mr. Temporary Deputy Speaker, Sir, in Germany, about 9 per cent of the energy is supplied

through solar. That is more than 5,000 megawatts. But Germany receives sunshine, at most, five months in a year. Kenya, on the other hand, receives sunshine 12 months in a year, yet, we produce only about ten megawatts from solar energy. If we invested in solar energy adequately, all the factories and schools would be supplied with electricity. When we were discussing this Bill in Mombasa, the Permanent Secretary told us that they have started with an experiment in Ukambani where they are now supplying electricity to secondary schools from solar energy. I wish this Parliament would influence the Minister for Finance to allocate adequate resources for the development of this type of energy.

Two years ago, my Committee also went to Australia. We discovered that they produce more than 2,000 megawatts from wind energy. They told us that the Global Wind Bar goes through Kenya, that is, Marsabit, Lamu and the high seas. They also told us that the wind that blows in Kenya is closer to the high seas than that in Australia. We have people here who have got the capacity to develop that resource if we could invest in it. So, I urge this House to demand that more money be invested in energy, because that is the heart of this country. We could even produce energy from our cattle dung. There are pastoralists who own large herds of cattle. We can produce biomass energy from our cattle.

Mr. Temporary Deputy Speaker, sometime back there was an experiment done in Kisii. This involved collection of cattle dung to produce energy. In Sydney, Australia, they produce electricity from sewage. A treatment plant of sewage produces electricity which is supplied to a substantial portion of the City of Sydney. The City of Sydney is as big as the City of Nairobi. As you know we eat *ugali* and green vegetables---

Mr. Weya: On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member has used unparliamentary language. He calls cow dung "*mafi*" or something like that. Is it in order for him to use unparliamentary language?

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, I was saying that the City of Sydney, which is as big as the City of Nairobi, gets its electricity from a sewerage plant. The residents of the City of Sydney eat *macaroni* and crisps. They do not eat *ugali* and do not produce as much waste as we produce in this country. If we were to get power from sewage, we could even assist hon. Mwenje to supply power to his constituents. He will also not spend money to clean the area where we dump sewage. That is what I am saying. We have got many sources of energy in this country but we are not exploiting them.

Hon. Members who contributed before me have talked about the sugar industry. This industry can produce electricity. We have got small sources of hydro-electric power like Nyakwana, Charachani and Kera in the place where I come from. If we invest in those small sources of hydro-electric power, we will have more energy without degrading our environment. So, what I am saying is that this country needs to reorganise its priorities on investments. We should invest in infrastructure so that we can create employment for our people. If, for example, we reduce the price of energy by 50 per cent we will be able to dominate the COMESA market totally. Egypt will not be able to compete with us. By so doing, we will be able to manufacture more and create more jobs. We must embark on creating jobs for our youth.

Mr. Temporary Deputy Speaker, Sir, this Ministry is creating an authority to oversee the Rural Electrification Programme. This, I believe, is an indigenous idea. I do not believe that it is a World Bank idea. The World Bank has never produced an idea that has assisted any country in the world. I do know that we have managers from the World Bank at the KPLC. But let them be confined to offices and be advisors. We have our capable people who can run our institutions. So, when we allow the Ministry to create this authority, I am sure it will be able to perform. It will be able to connect a wider population of this country to electricity.

Right now, we are giving two standards of education. A Standard Four child in Nairobi knows how to operate a computer. A Form Four child in the upcountry has not even seen a computer in his or her life. This is a big disparity in provision of education. So, we must make

electricity accessible to all our institutions. We should have similar education standards in this country, so that the people in the rural areas are not disadvantaged. We all know that 50 per cent of the population of Kenya depends on firewood. In towns, 82 per cent of residents depend on charcoal. We should move with speed to legalise formal charcoal production, so that our people are not harassed when they are producing this source of energy. If we formalise charcoal production and manage it well, we will be able to conserve and protect our forest resources. I can foresee the Seven Folks Hydro-Power project going under. I can also foresee Sondu-Miriu River project going down and us falling short of getting adequate energy in this country.

Mr. Temporary Deputy Speaker, Sir, we will have the proposed Regulatory Authority, but let us make it as independent as possible. However, let us give the Minister and the President the power to appoint. Who says that an hon. Member of Parliament is more knowledgeable than the President of the Republic of Kenya? This is somebody who has gone around the country and is elected by the people of Kenya. Why do you cast aspersions on our Ministers and the President? Why do you think that the President or Ministers will not appoint properly? The Ministers are now working under performance contracts. If they do not perform well, they will be removed from office. They cannot perform unless they appoint effective and capable people. So, let us give them the mandate to appoint people, the same way we have appointed the people who run the Constituencies Development Fund (CDF) offices in our constituencies. Mr. Temporary Deputy Speaker, Sir, suppose we were to be told that somebody else appoints for us the people who run the CDF offices in our constituencies, would we have achieved what we have now? Are we not achieving more now that we are appointing the people who can work with us?

I want to give the Ministers and the President the authority to make the appointments. I believe that Kenyans, in their wisdom, have elected a President, because they believe he can perform. Let us give him the leeway to perform.

Finally, we are going to make amendments and I am sure the Minister will accept them. The amendments will make this a very clean Bill. A Bill that can support Kenyans.

With those few remarks, I beg to support.

Mr. Weya: Thank you Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to say one or two things with regard to the Energy Bill.

Mr. Temporary Deputy Speaker, Sir, last weekend, I went to the Amboseli. I saw that the snow on Mount Kilimanjaro is melting. In fact, there was no snow at all on the lower end of the mountain. This is basically because of global warming.

We all know that charcoal is a huge resource in this country. It is utilised by most of our communities all over the country. When we talk about energy, we talk about what the local people use to cook and as a source of heat. All this is putting a lot of pressure on our forests. We, therefore, need to do what the rest of the world is doing, especially when it comes to carbon gas.

Mr. Temporary Deputy Speaker, Sir, as a country, we are being affected by global warming yet we are not the cause of it. We need to get policies that can enable our people grow trees and get credits. When we have forests, all these carbon emissions that go to the air will be prevented. We have a future generation which we have to protect. We have to follow what the rest of the world is doing. We should avoid the use of fuel that releases carbondioxide into the air.

Some countries have gone further and put in place laws and regulations, so that motor vehicles can only emit certain amounts of carbon dioxide. If a car emits more, it is not supposed to run on the road.

Mr. Temporary Deputy Speaker, Sir, in some countries they have gone to the household level and given carbon credits to every household. They then account for the carbon credit they utilise. If you exceed your carbon credit you will have to buy more from neighbours. We have to find out what the rest of the world is doing. The world now is becoming more and more of a global village, where we have to find out what is happening elsewhere.

Mr. Temporary Deputy Speaker, Sir, even if we use charcoal, we have to find how to use it

effectively. There must be rules and regulations put in place. If you have to utilise charcoal because you cannot afford electricity, you must use energy-conserving *jikos*. In Ghana, I saw that they have gone further and are licensing only equipment that is energy saving. They have categorised it as one star, two stars, three stars and so on. Equipment has to be energy efficient to reduce energy cost. We want to utilise energy effectively and efficiently. That is the only way in which our nation can develop.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about rural electrification. In some countries, rural electrification is something that is being expanded, because the only way in which we can get rid of poverty---

*(Mr. Koigi consulted loudly
with Archbishop Ondiek)*

The Temporary Deputy Speaker (Mr. M'Mukindia): Order! Mr. Koigi and Archbishop Ondiek, you are really disrupting the business of the House. Please, consult quietly!

Mr. Weya, please, proceed!

Mr. Weya: Mr. Temporary Deputy Speaker, Sir, rural electrification is key to every developed country. In our rural electrification programmes, power is taken to the people but they cannot afford to step it down to their residences. As a country, we might need to see how we can make rural electrification affordable at that level. We should balance the quality of life between those in urban and those in rural areas. This will stop the rural-urban migration. One of the things we might need to consider is making power more affordable in rural areas. In some countries, they have standardised the cost of electricity across the country.

In Kenya, the prices of fuel in Mombasa, Nakuru and North Eastern Province are different. In some countries they have standardised the prices, so that everybody within the country gets fuel at the same price. As a country, we need to consider this.

Mr. Temporary Deputy Speaker, Sir, if we take power to rural areas we will make our communities access computers. If you look at developed countries, schools in rural areas, children start using computers while in nursery schools. Can we compete with them? Some of our youths go up to university before using a computer. Those are some of the concerns we need to address.

Mr. Temporary Deputy Speaker, Sir, I would also like to talk about the proposed Commission. What will be its key responsibility? We are trying to liberalise the energy sector. When doing this, you must have somebody called a "referee". That is why we are trying to bring in a Commission. It is supposed to act as a referee between those generating power and the consumers. In some countries, they have gone further and, in their laws, they have matched a certain percentage of the cost of generation to the cost of consumption. They have fixed a price of 5 per cent. If the generator's cost goes up, he can only increase his price by a certain percentage. In this way, they are regulating the energy sector without disrupting it. This makes electricity affordable to the people.

Mr. Temporary Deputy Speaker, Sir, I can see that there is a requirement of 15 years experience. Personally, I have not had experience for 15 years. This is a bit discouraging. We need to encourage our young people. If you look at the private sector, you will find that it is being run by many young people. The private sector is being run effectively and efficiently by young people and it is making huge profits. Asking for 15 years experience for one to be in this commission is really disempowering our young people in this generation. Technology is changing very fast and I cannot say that I will be in the same league with my child who started doing computers in nursery school while I started using computers when I left school. The world is developing quickly and the young people are becoming more aggressive. We need to take that into consideration.

If you put somebody who finished school in the 1960s in this commission, his ideas may not have changed and he might be thinking in terms of those days. We need to reduce the

requirement of 15 years experience maybe to ten years, so that if somebody finishes school at the age of 23 years and has work experience until the age of 35 years, he is competent enough to be in the commission. That is something that needs to be looked into critically.

Mr. Temporary Speaker, Sir, I would also like to talk about the responsibility of the Ministry in this Bill. The Ministry has more of a social responsibility. So, when we say in the Bill that "the Minister shall", we are over-working the Minister. Some of these key responsibilities should be given to the commissioners. In other countries, the responsibility of the commission is to analyse data on what is happening with regard to electrification in the country. The commission is supposed to collect and maintain data on behalf of the Ministry. We need to collect data and information to make our commission more effective. That data should be taken to the Ministry and the Ministry should deal with the social issues when it comes to the issue of running the commission. We should re-direct some of these things to the commission.

The key issue is that this should be a professional commission. It should be run by professionals. When I talk about professionals, I mean people who have professionalism within the energy sector. These are the people who should be put in this commission. I do not have a problem with the chairman being appointed by the President, but I might have a problem with the issue of having people from the Ministry who are already overwhelmed by work. I have seen that the Ministry has a lot of work and they might not have the capacity to collect data. This commission should be given some work to do. If we keep on taking things back to the Ministry, then the commission will have no duties.

Mr. Temporary Deputy Speaker, Sir, in many countries, when you want to invest in the energy sector, for example, you want to put up a hydro station, you are given a booklet with a check-list and you are shown what you need to invest in the market. You are supposed to tick off the check-list and if you meet the criteria, then you are licensed. If you have not been licensed and you want to appeal, then you can appeal to the Minister. This is one of the things that we need to do, as a country, because a lot of things are put under the table and nobody understands the licensing procedures. We need to have a booklet in the energy sector, so that if somebody wants to invest in a certain league, the requirements are very clear without things being put under the table. That way, we will get corruption out of our systems. Then we will become more transparent. Transparency needs to be key in the running of this commission. We do not want to have a lot of back and forth issues. We want issues to be addressed very clearly without any problem.

I would also like to talk about the commission taking up the responsibilities of other regulators. In this document, they have talked about the Minister having to go and say that a certain meter or transformer is required. This is the responsibility of an organisation that is already set up in our country, namely, the Kenya Bureau of Standards (KEBS).

Mr. Temporary Deputy Speaker, Sir, once regulations are clearly established by KEBS, why should we duplicate institutions' work? It is the responsibility of KEBS to set up the standards. The commission should set the standards that it requires and then do the job of vetting.

I would like to talk about licensing individuals. Today, many people are generating their own power through generators. I do not think we have to the nitty gritty of asking people whether they have licences to generate power in their homes. Once you have a generator which has been approved by KEBS, you should generate power in your homestead without somebody asking you for a licence. Licences should be left for corporate, businesses or companies. That way, we will not get a situation where somebody gets a licence in his name and then calls a corporate company and says: "I have a licence here, let me sell it to you". That way, we will get rid of some of these loopholes.

Mr. Temporary Deputy Speaker, Sir, we need to look into the issue of wind energy. I was in Germany about two years ago and I saw that they have put up quite a number of windmills. Germany and Spain are leading when it comes to reducing the amount of carbon dioxide that they are emitting into the air. They have put up a lot of windflows and solar panels, which are cleaner

ways of generating power as opposed to using things that produce more carbon dioxide.

What is agonising me is that these developing countries have put up systems to reduce carbon dioxide emissions into the air and yet they are coming to the Third World countries and are destroying our resources, especially our forests. You will find that countries like Germany, Japan and China are not touching their forests. You will find ship-loads of timber going out of Africa to their countries. We have not put legislation in place to stop this. They do not realise that when they do this to our countries, it also affects them back in their countries. We need to put legislation in place, so that we can protect our country and our continent. We need to work a great deal with the developed countries within our region.

Mr. Temporary Deputy Speaker, Sir, the other issue that needs to be addressed is the issue of decentralisation. I was talking to some experts who had come from Europe and other parts of the world and they told me that one of the mistakes that they made was to put their power lines in one grid. For example, Europeans are campaigning for Europe to be put on one grid. Recently, I cannot remember which country it was, about 10 million people were disconnected because there was a complete failure in the power line. We need to try and decentralise and put smaller hydro plants, for example, the one in Mwingi, and have them interconnected, so that we do not become dependent on one grid. That is something that we need to address. Experts from Europe have told me that they made a mistake by having just one grid. We need to consider having small grids in our country.

I would like to talk about the issue of bio-gas. We have been told that from bio-gas you can produce heat and then from heat, you can produce some cooling effects using some other technology. So, we should also consider using bio-gas, for example, for air conditioning in the coastal region and find out how that can help people. I was being told that nowadays we have laws that make sure that buildings are energy-effective. When you are putting up a building in some parts of the world, there are regulations on how you can put up the building, so that energy can be used effectively in that building. You will find that in some buildings, air conditioning machines run endlessly and there is a lot of misuse of power. If there is poor insulation, heat will not be retained. The proper technology on how buildings should be put up should be followed. There are now laws in place to ensure that builders comply with the laid down building regulations as part of our policy when it comes to energy saving. We should also look at how much energy we utilise.

Mr. Temporary Deputy Speaker, Sir, I have said my bit and I would like to support this Bill. However, I would like some amendments to be put in place---

*(Several hon. Members stood
up in their places)*

Mr. Temporary Deputy Speaker, Sir, I have not finished. Why are hon. Members standing up and I have not finished? I am just making a summary.

The Temporary Deputy Speaker (Mr. M'Mukindia): Just finish!

Mr. Weya: Mr. Temporary Deputy Speaker, Sir, I want to talk about my constituency because that is where my key issues need to be addressed. I am happy that the Ministry has started implementing the Rural Electrification Programme (REP) in my constituency. Ever since I was elected, I have witnessed many REP projects being carried out by the Ministry. I am happy that for the first time, the people of Alego-Usonga have electricity in their constituency. This has really reduced the poverty levels because at the time I was elected, the poverty level was at 85 per cent, and now it has reduced to 62 per cent, within my tenure of three years. I would like the Ministry to find ways in which it can step up electricity in some of our markets and assist local communities because although they have electricity, it has not been stepped down for specific needs, like to drive *posho* meal mills and other facilities.

I beg to support.

Eng. Nyamunga: Thank you, Mr. Temporary Deputy Speaker, Sir for giving me an opportunity to contribute to this very important Bill. I would like to take this opportunity to thank the Minister for bringing this Bill that is supposed to give a legal framework for sound development and growth in the energy sector.

Our country is growing industrially and we have a target of being a medium industrialised country by the year 2010. That, we cannot achieve if our energy sector is not sound and strong enough to support the industrial growth.

On that note, I would like to talk about our electricity tariffs. Our tariffs are one of the highest in Africa. Electricity is a major component of cost in industrial production. We also know that we have common markets in Africa, like the COMESA. If our goods are to compete with goods from Egypt or South Africa, where tariffs are much lower than what we have here, then there is no way they can compete. So, how do we industrialise when the goods we manufacture are not competitive in price? That means that something has to be done to address the issue of electricity tariffs. Otherwise, we shall not be able to produce goods that we can sell even in this country. We have a free market economy and, therefore, goods from the rest of the world will come here and compete with goods which are produced locally. That means that our intention to be industrialised by the year 2020 or 2030 will not be realised because our products will not be competitive.

One way of reducing our tariffs is by generating electricity cheaply. One of the cheap sources of energy is hydro. However, I am afraid that the rate at which we are destroying our forests, we might soon run out of hydro-electric energy. What was projected at Sondu Miriu, I am told is something we cannot sustain every month of the year. During the dry season, we might generate less power. Therefore, there needs to be consultation between the Ministry of Energy and the Ministry of Environment and Natural Resources to see what it takes to make sure that we do not deplete our forests, which are our water sources for rivers. We must make sure that we practise reforestation so that our rivers, which we use to generate electricity, have water all the time.

One area which could also help us bring down our tariffs is to create competition so that we have many market forces in generation. We do not need to have KenGen only. We could have other players too. We could also have other players in distribution. In transmission, we can keep one player. We need to have different players so that consumers have a choice of where to get energy from. We know that there is an intention of having the East African countries; Kenya, Uganda and Tanzania, Rwanda and Burundi integrated politically. But even before that takes place, we could integrate, as far as energy is concerned so that various consumers; whether they are in Kenya, Uganda or Tanzania, can have the various power producers competing. That would create regional competition as far as distributors are concerned, so that market forces can make suppliers of energy reduce their tariffs.

Mr. Temporary Deputy Speaker, Sir, I am happy and impressed that the Minister realised that it would be very difficult to extend the network to the remote parts of Kenya, like the North Eastern Province. Therefore, to implement the REP, there is an intention to intensify investment in solar and wind production of energy or electricity. That is good and a welcome idea. The Minister has our support in that area.

I have a feeling that we shall not realise the full benefit of the REP as a country, if our mode of settlement in the rural areas is not changed. Various communities in this country have the tendency of having about four sons, who after they have grown up, marry and build their small houses all over. That means that we have scattered methods of settlement. It is really difficult to supply such people with electricity, in an economical way. In the developed countries, you have been there and seen that the mode of settlement is in a clustered way and, therefore, supply of electricity makes a lot of economic sense. However, in our mode of settlement, I am very sorry to say that whether we do wind power generation in North Eastern Province or REP in the densely populated parts of Kenya, it would be uneconomical. I wonder if there is something which the

Minister of Lands can do to give incentives to Kenyans so that they can start settling in clusters. That would make the supply of electricity more economical. That would make it possible to supply electricity in very many homes in this country and increase people's living standards. However, the way we are settling, it will be increasingly difficult for the supply of electricity to be done. We might blame the Minister for Energy for high tariffs in the rural areas, however, I feel that the way our settlements are arranged, it would be very difficult for the Minister to satisfy Kenyans by giving them all electricity.

Mr. Temporary Deputy Speaker, Sir, I have reason to believe that the Ministry is not doing enough on the issue of new and renewable forms of energy. We have a large percentage of Kenyans who keep livestock. We know that we can produce cooking gas from animal waste, especially cow dung and human waste. There is a full-fledged department in the Ministry of Energy dealing with new and renewable energy. However, the impact of this source of energy is negligible. Maybe, if that source of energy was intensified, we could reduce the destruction of our forests. If people were to live in communal areas, we could have digesters, produce gas and then supply it for domestic cooking and save our forests. Right now, there is almost no effort being made to use human or animal waste to produce energy for cooking. I appeal to the Minister to see how he can put more effort and push the new and renewable energy programme, so that many Kenyans benefit from the knowledge that they have and, therefore, save our forests from destruction.

Mr. Temporary Deputy Speaker, Sir, under the REP, I must thank the Ministry for putting in place various programmes where construction work is being done by private companies. However, I am still not happy with the fact that the KPLC is the consultant and the contract or after putting up the network, the company is still the manager of the REP. That is unfair. The Ministry does not have the in-house capacity to even countercheck what the so-called contractor, consultant and manager is doing.

Mr. Temporary Deputy Speaker, Sir, I wish the Minister would have in-house capacity to participate, at least, in consultancy, so that they design the networks in consultation with the KPLC, procure the installations in a competitive way, and then hand over to them to manage the networks at an agreed fee. Actually, the more reason we need more players in the distribution of electric energy so that they can compete. Right now, it is the figure that KPLC gives that customers are forced to take because we have no way of knowing whether the charges are excessive or not. The KPLC controls, from design, construction and management. I appeal to the Minister to make sure that he creates capacity within the Ministry, or create another body to participate in the design, procurement and the construction process, and then hand over to the KPLC to manage at an agreed fee. When we get various players to compete with the KPLC, we will be able to make a comparison; for example, Nyanza region is being charged so much and so on. This will ensure that we are not exploited by the KPLC.

Mr. Temporary Deputy Speaker, Sir, still on electricity tariffs, we need a cheaper source of generation of electricity. I feel very sad that we have not been able to encourage the sugar sector to give us electricity through co-generation, yet they have the capacity to do so. One would have expected the KPLC, for example, to go into partnership with sugar companies, so that they generate electricity, use a bit for themselves and sell or give to the network. However, we have a situation, sadly so, where, if anything, the sugar companies have been discouraged by being offered very low tariffs. We have been happy to buy at very high tariffs from the so-called Independent Power Producers (IPPs). I am appealing to the Ministry to look at that situation again.

I am happy today I saw in the newspapers that Mumias Sugar Company (MSC) and Chemelil Sugar Company (CSC) will soon participate in co-generation of electricity. That should have been done at the very beginning when the MSC and CSC were set up. We should have at that time, encouraged and supported them to generate electricity, so that they sell it and, we, therefore, have lower tariffs. We have plenty of bio-gas which is wasted. It could have been used for generation of electricity.

Mr. Temporary Deputy Speaker, Sir, it is not my intention to talk

more and with those few remarks, I beg to support.

The Assistant Minister for Health (Dr. Kibunguchy): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to also say one or two words about the Energy Bill. Before I start my substantive comments, I would like at this stage to congratulate the Ministry of Energy for what they have done so far. One of the things that we are seeing in this country is that we have the REP that is virtually working in every constituency. For that, I would like to congratulate the Ministry.

I also would like to congratulate my friend, Mr. Murungi, for having gone through very difficult times, and now he is back in the Ministry. Now that we have a substantive Minister in the Ministry of Energy, I hope that some of the programmes that had been started will be speeded up because energy is extremely crucial and fundamental. If we are talking about development, especially in the rural areas - I will confine myself mainly in the rural areas because that is where my constituency is - we cannot afford not to give a lot of emphasis to energy. At every stage of our development, the issue of energy comes to play.

Mr. Temporary Deputy Speaker, Sir, probably, we, as a country, made a false move when we were being urged by the World Bank and the International Monetary Fund (IMF) to liberalise most of our sectors. We have seen that liberalisation is one of the cardinal tools that have brought massive poverty and unemployment in this country. It is good at this stage to realise that there are certain sectors that must be regulated. One of those sectors that must be regulated is the energy sector. The spirit of this Bill resonates very well with my thoughts, that there are certain sectors of this country that we cannot give people a blank cheque to do whatever they want to do. There must be some aspect of regulation, so that we, as a Government, know what is good for our people.

I welcome wholeheartedly the creation of the ERC because for a long time, and as we have said in this House time and again, the people in the oil industry were given a blank cheque to do whatever they wanted to do. They have over the years amassed massive, sometimes I would call them obscene profits, at the expense of our people. So, at this stage, once we get a body that is going to regulate what they are going to do, that body, to me, is welcome and the sooner we pass this Bill, we should constitute this Energy Commission so that it can look into some of those aspects.

Mr. Temporary Deputy Speaker, Sir, I will not talk much about electricity because my colleagues spoke for me. I agree with that they have said. We cannot develop in the rural areas unless we have adequate supply of electricity. We must have electricity in our secondary schools if we want our children in the rural areas to be able to compete, or even be at par with their counterparts in the urban areas. The issue of the ICT has been mentioned again and again. I would just like to add my voice and say we are now living in a world where unless you are competent in computer, there is probably very little you can do.

But I would like to spend a bit of time talking about the charcoal industry. This is one industry that is a paradox. On one hand, we are allowed to use charcoal, but on the other, it is illegal to produce and transport charcoal. The Minister for Energy must move very quickly and make sure that that paradox is addressed as urgently as possible. The majority of our people in urban areas, about 70 per cent, depend directly on charcoal for heating and cooking. This is an area that we cannot run away from. Let us regulate it and make sure it is done in a responsible way. Let us make sure that the production of charcoal is as efficient as possible.

Mr. Temporary Deputy Speaker, Sir, right now, because of the clandestine nature of the production of charcoal, you find most of the kilns that are being used to produce it are extremely inefficient. People put figures of the recovery rate of charcoal from a load of wood as low as 10 per cent. The rest 90 per cent is left because either people are in a hurry or because there is no technology that has been put in to come up with efficient kilns for production of charcoal. I think we have to start looking at the energy aspects that are used by the majority of our people.

Studies have shown that the charcoal industry generates close to Kshs32 billion annually,

and about 2.5 million Kenyans depend on charcoal either directly or indirectly. That is an industry that cannot be ignored. Therefore, we must move in, regulate it and put policies together so that charcoal is produced efficiently, its producers are not demonised and charcoal burning stops looking like a dirty trade, and our people should not be hunted down just because they are producing a bit of charcoal. It has been shown that the majority of the wood that is used to produce charcoal actually does not come from our forest. So, I would like to urge my friend, the Minister for Energy, that this is one area he needs to address. When he addresses this area, he will be addressing the direct needs of the poor of this country.

Mr. Temporary Deputy Speaker, Sir, I would also like to say something small about the Rural Electrification Authority. Again, as we commend the Ministry of Energy for the work they have done so far in making sure that there is, at least, one rural electrification programme per constituency, I wish they would have done more. I would like to ask them to do more. If we are thinking of acquiring the status of a developed country by 2030, that is one area that we must invest a lot in.

(Loud consultations)

The Temporary Deputy Speaker (Mr. M'Mukindia): Order, hon. Angwenyi! You have had your chance to speak and now you are disrupting the contribution of hon. Dr. Kibunguchy; it is not fair. I think you can consult quietly. But everybody is hearing you in this House.

Proceed, Dr. Kibunguchy!

The Assistant Minister for Health (Dr. Kibunguchy): Thank you, Mr. Temporary Deputy Speaker, Sir.

As I was saying, I would have wished that the Ministry did more in terms of rural electrification, but we are grateful for the little that they have done so far. I think now that we have a substantive Minister in that Ministry, we hope that by the time we turn to 2007, a lot more will be done in our various constituencies.

Mr. Temporary Deputy Speaker, Sir, as I conclude, I would like to talk about River Nzoia. This is a river that traverses many districts and it is being affected by wanton destruction of trees like many other rivers in this country. But, probably, in the country, River Nzoia is known as a notorious river that causes devastating flooding in Budalangi. But I think this Bill is timely so that this river can be tamed and turned from a river that is associated with destruction of lives and property and disease, to a river that will give hope to the people who live in the districts that it passes.

I would like the Ministry to move away from the traditional rivers that produce hydro-power electricity and look further. One of the rivers I would like the Ministry to look at critically is River Nzoia. If we had dams constructed on River Nzoia, we would not only produce electricity, but there would be so many other things that can be produced, including having water to be pumped for irrigation. So, I would like the Ministry to cast its eyes west-wards, move away from the Tana and Athi rivers, and look at River Nzoia, and I am sure that the Ministry and the Minister will not be disappointed with the results they will get from River Nzoia.

With those remarks, I beg to support.

Eng. Okundi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this very important Bill which I support.

I am a Member of the Departmental Committee on Energy, Communications and Public Works. Our Committee, after spending considerable time looking at this Bill, came up with very detailed amendments. At the Committee Stage, we should be able to have these amendments agreed upon so that we can have a good Energy Bill.

Mr. Temporary Deputy Speaker, Sir, sometime last year, and March this year, there was a great deal of talk and concern about the preparation of a proper energy policy in this country. I

would like to congratulate the Minister for Energy for coming up with a Bill that seeks to address issues of energy in this country. When you have a policy in place, then you can produce various Acts of Parliament to enforce the proposals in the policy. That way, we shall also be able to manage well the various energy resources that we have in our country.

In this country, 80 per cent of energy used comes from wood fuel, for example, charcoal. It is unfortunate that as much as we depend on wood fuel, we have not managed to properly document information about this. The cost of depending on wood fuel has also not been statistically produced properly. The country is, therefore, spending a lot of its resources in the provision of energy in the area that concerns most of our people, and yet we have not done proper research to get proper information.

Electricity provides us with about 18 per cent of our energy needs in this country. This, however, varies a lot because of drought. We are aware that much of our electricity is hydro-generated. Kenya also produces geothermal power, which is also a very good energy source. Oil generated power in this country only covers 2 per cent of our energy needs.

Mr. Temporary Deputy Speaker, Sir, when you have in place an Energy Bill like this one, I am sure that we shall, for the first time, properly address energy requirements in this country and even set appropriate benchmarks of administration in order to develop the energy sector. A developed country like Germany mostly depends on solar energy. We witnessed this when we visited that country with hon. Angwenyi. We were surprised that even though Germany does not have a lot of sunshine, it still depends mostly on solar energy. Here in Kenya, we have plenty of sunshine, but we do not make use of solar energy.

Mr. Temporary Deputy Speaker, Sir, many of the Nordic countries, for example, Denmark and Netherlands, depend largely on wind power. They have established their energy sector in such a way that energy is produced from various little sources. People willing to produce energy are allowed to contribute it to the national grid and, therefore, compete for price negotiation. So, you will find somebody producing wind energy in his locality, but he is allowed to produce extra for other areas that require energy. In these developed countries energy is also produced from animal products and any type of waste. All the little towns in these countries produce energy from the waste that is churned out. The power is then put back into the national grid in order to reduce the cost of electricity.

Energy is a major component if a country is to rise industrially. I am glad that the Minister for Energy is here to listen to what we are saying. I am sure he will put into consideration whatever we have suggested here.

I am glad that he will look at this thing very seriously. We need to industrialise in this country. The only thing that will lift up Kenya is for us to take industrialisation seriously. That is where value addition will take place, but we need energy at the lowest cost. That is what is happening in South Africa and Egypt. How do we do this? One way to do this is to look at energy in the widespread aspect of it and have it produced by little and so many other actors. As they come, in the average, the normalised product has to be cheaper and can be regulated easily because more people will have a say.

This Bill has very major components. One is the Energy Commission, which is going to look at all the energy areas of our efforts, whether it is from petroleum, wood, electricity, water, wind or solar, and have the capacity. The Bill proposes that we give a chance to the Commission to license its participants. These are crucial things that we did not have in our country.

Mr. Temporary Deputy Speaker, Sir, I see you looking at the clock but, unfortunately, I will not be here from tomorrow and so I really want to rush, and I hope you will give me a little more time. So, the Energy Commission is crucial and I am sure the Minister will manage it very well.

Mr. Temporary Deputy Speaker, Sir, I also want to add the area of rural electrification. When we were discussing, we said that let us call it Rural Energy Resources Authority because, really, we are talking about energy but in this country the way we started is that we embraced

electricity first. We think electricity is what energy is all about. No! Energy is measured in terms of horsepower. The horse is not electricity. It is just how it pushes lots of energy. So, when we talk of energy sources, we need to see how energy sources can be harnessed even by donkeys. So, I think that, that is a good area which has been managed very well from the Ministry's point of view.

Mr. Temporary Deputy Speaker, Sir, I would like to congratulate the Minister and his staff for having done a very thorough work to get rural electrification to go straight ahead. However, we encountered bottlenecks at its implementation stage from the Kenya Power and Lighting Company (KPLC,) which we need to empower and restructure to give sufficient teeth to guide this kind of implementation.

Mr. Temporary Deputy Speaker, Sir, the tribunal is necessary and I think that I really support it because then people can complain and be heard. All I would say is that this Bill is supported thoroughly. This country has reached a stage where I now know that with this Act of Parliament in place, we can do our best to manage energy distribution in this country. If the Minister can encourage, after this Bill is enacted, that in every village if you cut a tree, plant at least four. I know where it has worked. I know of a country where the chief ensures that if you cut any tree for any reason, whether it is dead or not, you plant at least four.

(Applause)

If we did that, then the rural energy which affects over 80 per cent of our people will trickle down to our people cheaply and very effectively. If such a campaign can be carried out, then it can be good. In the 1960s, the slogan said "Have brains, eat fish". Well, I eat fish and I think I have brains. That was a campaign. There was also this campaign of "Buy Kenyan, promote Kenya". So, if we can say "If you knock down a tree, plant at least four", you will see that rain will be in those areas. The catchment areas will spread and so will hydro-electricity. We have seen this in many places.

Mr. Temporary Deputy Speaker, Sir, I see you are getting restless but thank you very much for giving me a chance to say a few words. We contributed thoroughly on this Bill when we had a chance to meet as the Departmental Committee on Energy, Communications and Public Works. With those remarks, I beg to support.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. M'Mukindia): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Wednesday, 22nd November, 2006, at 9.00 a.m.

The House rose at 6.30 p.m.