

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 22nd November, 2006

The House met at 2.30 p.m.

*[Mr. Speaker in the Chair]*

## PRAYERS

## QUESTION BY PRIVATE NOTICE

### ALGAE INVASION IN LAKE VICTORIA

**Mr. Marende:** Mr. Speaker, Sir, I beg to ask the Minister for Environment and Natural Resources the following Question by Private Notice.

What urgent steps is he taking to avert the destruction of flora and fauna in Lake Victoria by an algae invasion that threatens the livelihood of millions of Kenyans and other populations in the diaspora?

**Mr. Speaker:** Hon. Members, you all understand that the Minister has had some bereavement, and his Assistant Minister is abroad. So, Mr. Marende, we will defer the Question.

**Mr. Marende:** Mr. Speaker, Sir, this is the second time this Question is being deferred. The last time I asked this Question was about two weeks ago and we were assured by the Leader of Government Business that the Minister will be available today, after the long conference, to answer the Question.

**Mr. Speaker:** That may very well be the case, but this is the first case of bereavement.

**Mr. Marende:** Okay, he is bereaved?

**Mr. Speaker:** Yes, he is bereaved.

**Mr. Marende:** When will the Question be answered?

**Mr. Speaker:** I think at a similar time next week, on Wednesday afternoon.

**Mr. Marende:** Thank you, Mr.

Speaker, Sir. May I take this opportunity, on my behalf and on behalf of my constituents, to convey my condolences to the Minister.

*(Laughter)*

**Mr. Speaker:** Well done! Thank you.

*(Question deferred)*

Very well. We will now go to the next Question by Mr. Omingo!

## ORAL ANSWERS TO QUESTIONS

*Question No.418*SUB-DIVISION OF BOMONYAMA  
SUB-LOCATION

**Mr. Manoti**, on behalf of **Mr. Omingo**, asked the Minister of State for Administration and National Security when Bomonyama Sub-location will be sub-divided into Nduru and Getono sub-locations for creation of a new Bomonyama Location.

**The Assistant Minister, Office of the President** (Mr. Kingi): Mr. Speaker, Sir, I beg to reply.

Bomonyama Sub-location will be sub-divided into Nduru and Getono sub-locations when the Government receives a proposal from Nyamarambe Sub-DDC in reference to the said sub-division and approved by the Gucha DDC.

**Mr. Manoti:** I appreciate the good answer which has been given by the Assistant Minister. When we meet next, as the Gucha DDC, we will discuss and agree on the sub-division of the two sub-locations. However, what is the number of "population" which is enough to make a sub-location?

**Mr. Speaker:** What is your question?

**Mr. Manoti:** What is the population which is enough to form one sub-location? There are some areas with so many people and one assistant chief cannot manage such a population.

**Mr. Kingi:** Mr. Speaker, Sir, we do not have a standard number or population for a sub-location. Whenever there is a feeling in any location that there is need for the creation of another location or sub-location, our officers on the ground have all the criteria that is required to be met. So, when they meet at the sub-DDCs and bring us this information, we go ahead and do the sub-division.

**Mr. Speaker:** Very well.

Next Question by Mr. Ndolo!

*Question No.620*MEASURES TO STREAMLINE FOOTBALL  
ADMINISTRATION IN KENYA

**Mr. Ndolo** asked the Minister for Gender, Sports, Culture and Social Services:-

(a) why the Kenya Football Federation (KFF) is running two separate super league tournaments; and,

(b) what measures the Minister is taking to streamline the management of KFF and administration of football in the country.

**The Minister for Gender, Sports, Culture and Social Services** (Mr. Kamanda): Mr. Speaker, Sir, I beg to reply.

(a) It is true that there have been two premier leagues organized in the country. One was being organized by a private company called the Kenyan Premier League (KPL), and the other by the Kenya Football Federation Premier League (KFF).

In 2003, some KFF Premier League clubs rebelled against the KFF and started their own

league under the title of Inter-Clubs Consultative Group (ICCG). This group later registered a company called the KPL to run their league parallel to the one organized by the KFF. The chairman of this group was Mr. Bob Munro, who is also the Chairman of Mathare Youth Sports Association (MYSA). The group thus created more confusion in Kenyan football by creating division, with some clubs expressing loyalty to the KPL and others to the KFF. This confusion and poor management of football continued and forced the world body, FIFA, to suspend Kenya from international competition. However, realising this mistake, the Registrar of Companies has de-registered the Kenya Premier League Limited by the resolution of the company's director and changed the company's name to Nairobi Football Group Limited.

(b) In order to streamline the management of football, I have recently dissolved the entire Kenya Football Federation, including the branch and sub-branches, to restore order in management of football in Kenya. In its place, I have appointed a caretaker committee to oversee all football affairs in this country. The committee will hand over to the elected officials once relevant structures have been established to ensure proper management of football in Kenya.

I have further recently constituted Harambee Stars management board, which will raise funds for a national soccer team and ensure that the team has an effective technical bench.

**Mr. Ndolo:** Mr. Speaker, Sir, I thank the Minister for that answer. However, I believe in sports, it is not good to create enemies. Right now, our country has created an enemy known as FIFA. Through dubious administrators in sports in this country--- The Minister has agreed that one of our administrators is the one who is controlling--- In fact, one day, I heard him on radio, and even saw him on television, saying that: "This guy calls me at night and he tells me off". What will he do to such people who are trying to ensure that football in this country does not prosper any more?

**Mr. Kamanda:** Mr. Speaker, Sir, it is true that for the last four years, Kenyan soccer has experienced a lot of problems. So many people have complained to me, including some hon. Members who have served before in those KFF committees, about the interference in football in this country. I appointed a probe committee to probe Mr. Bob Munro, who is not a Kenyan. Once the report is out, the Government will take action.

**Maj. Madoka:** Mr. Speaker, Sir, while we laud the Minister for trying to streamline the KFF, he will not be able to sort out the problem if he dissolves the KFF and leaves the other organisation in place, because that is where the problem is. Unless the two organisations are dissolved, then the Minister is not getting anywhere.

**Mr. Kamanda:** Mr. Speaker, Sir, the Registrar of Companies has even deregistered the Kenya Premier League. It has been given another name. This falls under the companies category and I have no power to deal with it. I believe I will get to the root cause of this problem since I have appointed a probe team. Once I get the cause of the problem, I will be able to sort it out once and for all.

**Capt. Nakitare:** On a point of order, Mr. Speaker, Sir. You did not catch my eye, but I am on a point of order---

**Mr. Speaker:** Order! You do not have to force yourself onto my eye. My eye has refused to oblige.

**Capt. Nakitare:** I am on a point of order, Mr. Speaker, Sir---

**Mr. Speaker:** Order! Proceed, Mr. Ndolo.

**Mr. Ndolo:** Mr. Speaker, Sir, with due respect, I can see a lot of hon. Members want to ask questions, could I donate my time to them?

**Mr. Speaker:** Order! You can sit down. I can see them myself. Mr. Marende has been persistently on the Floor.

**Mr. Marende:** Mr. Speaker, Sir, how does the Minister reconcile the answers that he has

so far given, that he has resolved the problem in football by dissolving the KFF when, in fact, Kenya still remains suspended by FIFA from participating in international football tournaments? It is now in the public domain that the court has issued injunctive orders reinstating in effect the KFF which the Minister purports to have dissolved.

**Mr. Kamanda:** Mr. Speaker, Sir, I have personally not been served with court summons. Once I am served with the court summons, I will challenge the order. For now, I have not been served.

*Question No.125*

TARMACKING OF RUMURUTI  
-MARALAL ROAD

**Mr. Speaker:** Mr. Lesrima's Question is deferred to next week.

*(Question deferred)*

*Question No.633*

RELOCATION OF WHEAT FARMERS/MILLERS  
TO NEIGHBOURING COUNTRIES

**Mr. Bett** asked the Minister for Agriculture:-

- (a) whether he is aware that a number of wheat farmers and millers have been moving their investments to neighbouring countries;
- (b) if the answer to "a" above is in the affirmative, what precipitated that movement; and,
- (c) what he is doing to reverse the trend.

**The Assistant Minister for Agriculture** (Mr. Kaindi): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware of any wheat farmers or millers who have moved their investments from this country to neighbouring countries. However, I am aware that some millers are expanding their operations to the neighbouring countries.

(b) Low taxation rates on wheat grain and flour in the neighbouring countries is luring some millers to open factories there.

(c) My Ministry, in conjunction with wheat stakeholders, is restructuring the sub-sector to make it competitive through the following measures.

(i) We have reduced production costs by zero-rating agricultural machinery and implements.

(ii) We have intensified research which has introduced new, high yielding varieties.

(iii) We have revitalized extension services through enhanced funding, staffing and facilitation.

(iv) The Government sought and was granted COMESA safeguards for wheat flour up to May, 2007, subject to allowing a limited amount of imports from Egypt and Mauritius.

**Mr. Bett:** I thank the Assistant Minister for that answer. Sooner or later, we will be feeding on imported wheat only. The Assistant Minister has said that he is not aware that our farmers are shifting to the neighbouring countries, and yet he is aware that millers are doing that. The truth of the matter is that these millers are shifting because there is no wheat being produced in Kenya. So, they are going to mill wheat in the neighbouring countries. A farmer who normally does 24,000

acres in Narok is now doing 6,000 because of unfavourable COMESA rules. What action is the Assistant Minister taking to make sure that our farmers are again given confidence and trust in our system so as to go back to growing wheat?

**Mr. Kaindi:** Mr. Speaker, Sir, as part of our regional obligations as members of the COMESA, other member states, specifically Mauritius and Egypt, did prevail upon the committee in Kigali to give certain concessions. They gave concessions for limited amounts of wheat; that is, 1,200 metric tonnes from Mauritius, and 16,000 tonnes from Egypt. We also agitated for our farmers by stating categorically that our sector was not competitive and developed enough to compete in a liberalised economy. Therefore, COMESA directed that a study be undertaken. The results of that study, which has now been finalised, will be given at the next meeting. If the study is positive, then we will ask for another four years so that we can allow our sub-sector to grow.

**Dr. Rutto:** Mr. Speaker, Sir, while the Assistant Minister was answering part "c" of the Question, he hinted on certain measures that he intends to take to reverse the trend. One of them was zero-rating machinery and implements. Could he also consider zero-rating farm inputs because that is where the problem is?

**Mr. Kaindi:** Mr. Speaker, Sir, this is a matter that has to be re-negotiated between us and the Ministry of Finance so that it does not affect the budgetary provisions. This is something we can be able to look at, as a Ministry. At the moment, I do not want to make a commitment. I wish to state that as a Ministry, we will consult. If the Ministry so wishes, we may be able to get to that because we recognise the cost of farming to farmers.

**Maj-Gen. Nkaiserry:** Mr. Speaker, Sir, you realise that this Government has a habit of making too many denials and excuses. We know that one of the main reasons why farmers are shifting to neighbouring countries is because of the low prices of wheat which are offered by the National Cereals and Produce Board (NCPB). Secondly, the NCPB does not pay the farmers on time. What measures is the Assistant Minister taking to ensure that prices of wheat are competitive and that the farmers are paid immediately after delivering their produce to the Board, just like in the neighbouring countries?

**Mr. Kaindi:** Mr. Speaker, Sir, I wish to inform the hon. Member that part of the reason why prices are more favourable in those countries is that a country like Uganda imposes 20 per cent when this country imposes duty of 35 per cent. The duty imposed in Tanzania is much lower. These are some of the problems we are facing. In order to encourage our farmers, because the safeguard period ends in 2007, we are looking at the entire regime of taxation to see where we can be able to extend concessions to our farmers, so that they can equally be competitive.

**Mr. Speaker:** While we are at this, hon. Members from the Front Bench must have noticed that we are about to go to the business of the House. I think you had better get the Minister for Finance.

**Capt. Nakitare:** Mr. Speaker, Sir, you have heard the sentiments from the Assistant Minister, which are cosmetic. It is not the price that we are looking at. In order to encourage farmers in this country to produce more for export, what incentives does the Ministry have to give them in this world of high prices?

**Mr. Kaindi:** Mr. Speaker, Sir, I had pointed out that we are looking into the issue because the question of production has also an input to do with varieties. The Kenya Agricultural Research Institute (KARI) in Njoro has come up with new varieties which are high yielding, which we think will be able to fetch better prices for our farmers. I have also said that within the framework of the stakeholders, an association was formed for wheat growers. It has been helping us to agitate for better prices in this competitive environment. Liberalisation will be with us and as a Ministry, we are cognisant of that fact. That is why we are trying to encourage our farmers to be competitive. We have zero-rated the prices of machinery through the Ministry of Finance so that farmers can be

able to utilise the machines more efficiently and, therefore, their production costs can be a little bit lower.

**Mr. Bett:** Mr. Speaker, Sir, the Assistant Minister has said that we should bring in wheat from Mauritius. Mauritius is not a wheat growing country, but those are the COMESA, rules. He has also said that Uganda has imposed a tax of 20 per cent while Kenya has imposed a tax of 35 per cent. Has the Assistant Minister consulted with his colleague in the Ministry of Finance to make sure that these rates are equalized so that we are not disadvantaged *vis-a-vis* Uganda and ourselves?

**Mr. Kaindi:** Mr. Speaker, Sir, just like in the sugar sub-sector, we recognise the variety of taxes. That is what I regarded as a regime of taxation on commodities. We, as a Ministry, have been agitating to the Ministry of Finance that since agriculture is the backbone of the economy of this country, there is need to offload from the farmers the excess levies and taxes. That is still our position.

**Mr. Speaker:** Question 215 by the Member of Parliament for Bahari Constituency is deferred to next week!

*Question No.215*

SETTLEMENT OF SQUATTERS  
ON KWA MAYA FARM IN  
BAHARI CONSTITUENCY

*(Question deferred)*

Last Question by the Member of Parliament for Belgut Constituency!  
Is Mr. Keter not here?

**An hon. Member:** Yes, Mr. Speaker, Sir.

**Mr. Speaker:** The Question is dropped!

*Question No.454*

NON-PAYMENT OF PENSION DUES  
TO MESSRS. LANGAT AND MITEY

*(Question dropped)*

That is the end of Question Time. I have not had any request for a Ministerial Statement. Is there any Minister who is ready to give a Ministerial Statement?

Mrs. Mugo, you look very lonely. Where are your colleagues?

**The Assistant Minister for Education** (Mrs. Mugo): Mr. Speaker, Sir, I am sure they are coming. Some of them had gone for the funeral service for the late mother of the Minister for Trade and Industry, Dr. Kituyi. Please, bear with us. But they are on their way here. Maybe, they are held up in a traffic jam.

**Mr. C. Kilonzo:** On a point of order, Mr. Speaker, Sir. We have over 80 Ministers and Assistant Ministers. Are they really taking the business of this House seriously? We have seen this happen very many times.

**The Assistant Minister for Education** (Mrs. Mugo): Mr. Speaker, Sir, we are taking the

business of the House very seriously. As we are aware, some hon. Members were not even here to ask the Questions which were dropped. But most of the time the Ministers are here to answer Questions. Our colleague lost his mother and I think that is understandable. The Ministers are held up in a traffic jam, but they have started coming in.

**Mr. Speaker:** We will see what happens, because the next business is the Appropriation Bill, and yet I do not see the Minister for Finance.

**The Assistant Minister for Education** (Mrs. Mugo): Mr. Speaker, Sir, I am going to get him.

**Mr. Ojode:** On a point of order, Mr. Speaker, Sir. Would I be in order to request the former Minister for Finance to move the Appropriation Bill?

*(Applause)*

**Mr. Speaker:** Order, hon. Members! Mr. Ojode, you know that you are totally out of order! First, you are not the President of the Republic of Kenya. Secondly, even if you were, you would not be sitting where you are!

*(Laughter)*

Next Order!

## BILLS

### *First Reading*

#### THE APPROPRIATION BILL

*(Order for First Reading read -  
Read the First Time - Ordered to  
be read the Second Time today)*

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

**Mr. Speaker:** What is it, Capt. Nakitare?

**Capt. Nakitare:** My point of order is to implore the Chair to take this Motion seriously because it involves the life and functionality of this Government. Could the Chair defer this Motion until next time?

**Mr. Speaker:** Which Motion are you talking about?

**Capt. Nakitare:** I am talking about the Appropriation Bill, which involves the Ministry of Finance. In the absence of the Minister, we are incapacitated.

**Mr. Speaker:** Order, Capt. Nakitare! I think you have been here for two years now. In my view, that is adequate time for you to know the procedure of Bills. So, please, study it tonight!

Next Order!

### *First Reading*

#### THE PROCEEDS OF CRIME AND ANTI-MONEY LAUNDERING BILL

*(Order for First Reading read - Read the First Time - Ordered to be referred to the relevant Departmental Committee)*

**Mr. Speaker:** Next Order! Is the Minister for Finance here?

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Mr. Speaker, Sir, ordinarily, Question Time ends at 3.30 p.m. Mrs. Mugo has taken steps and called the Minister. He is on the way coming. I want to seek your indulgence to give him a few minutes, so that he gets here to deal with the matter.

**Mr. Ojode:** On a point of order, Mr. Speaker, Sir. There is what we call collective responsibility. In the event that the Minister is not in the House, we can have any other Minister or a former Minister to move a Bill on his behalf. Would I be in order to request Mr. Mwiraria to move the Appropriation Bill?

*(Applause)*

**Mr. Speaker:** Order, hon. Members! There is, in fact, appropriate penalties for hon. Members who are frivolous. One such frivolous hon. Member is the Member of Parliament for Ndhiwa Constituency. He knows that a non-Minister cannot move a Bill. He is, therefore, being frivolous. You attempted again and, therefore, you suffer the consequences of being frivolous. In fact, you are no longer only frivolous, but you are almost becoming vexatious. So, please, stay put!

### COMMUNICATION FROM THE CHAIR

#### DEFERMENT OF COMMITTEE STAGE OF MICROFINANCE BILL

**Mr. Speaker:** Order! As we are at this, maybe it will help the House that I make certain directions as far as it relates to Order No.10, that is, Committee of the whole House, in respect of the Microfinance Bill. This will be taken on another date because the amendments that were being proffered and prepared are not ready at this stage. So, every hon. Member should understand that the Committee Stage of the Microfinance Bill will not be taken today. So, what am I supposed to do in this situation? I could listen to you but I want to tell you the following. First, Question Time ends at 3.30 p.m. That is what everybody ordinarily understands. We must also understand that the Business of the House commences at 2.30 p.m and when Business commences, it takes its own course. This means that it can be disposed of in due course. It is, therefore, not the business of the House to wait for Members to come.

*(Mr. Ndambuki waved at Mr. Wetangula)*

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Mr. Speaker, Sir, I want to urge my colleague from Kaiti to exercise patience. It is unlike him to order me to sit down because he never misconducts himself.

We have the Energy Bill that we were debating yesterday. We can take the next 25 minutes on the Energy Bill and then start debating the Appropriation Bill at 3.30; that will be better. In fact, when we rose yesterday---



*(The Minister for Finance (Mr. Kimunya)  
walked into the Chamber)*

There the Minister comes. Otherwise, I was ready to contribute to the Energy Bill. I thank you for your indulgence.

*(Loud consultations)*

**Mr. Speaker:** Order, order, hon. Members! As I said earlier, ordinarily, Question Time ends at 3.30 p.m. Today, it ended much earlier. This gives a warning to all of us, that we must all be here at 2.30 p.m., so that we can attempt the business of the House as and when it is due. Now that the Minister is here, we will go to the Business of the House.

**The Vice-President and Minister for Home Affairs** (Mr. Awori): Mr. Speaker, Sir, occasionally there are some extraneous circumstances. One such circumstance happened this afternoon when there was a church service for the mother of our colleague. We had hoped that the service would end in good time for us to be here on time, but we had no control over the preachers in the church, and the service was delayed. So, my sincere apologies on behalf of hon. Members who should have been here.

*(Loud consultations)*

**Mr. Speaker:** Apologies accepted. We do not have to quarrel over straightforward issues, do we? Really, do we have to quarrel over straightforward issues?

Let us now go back to the Appropriation Bill, Second Reading. Yes, Mr. Minister.

**The Minister for Finance** (Mr. Kimunya): Mr. Speaker, Sir, I beg to move that the Appropriation Bill, 2006---

**Mr. Ojode:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** Order! Order, Mr. Minister! What is it, Mr. Ojode?

**Mr. Ojode:** Mr. Speaker, Sir, I do agree with your ruling, but here is a Minister who comes in late and does not apologise at all. Would I be in order to ask the Minister to apologise first and then---

*(Loud consultations)*

**Mr. Speaker:** Order! Order, hon. Members! Hon. Members, there is time to be angry. There are also times to pretend to be angry. This is time to take this particular business. In all honesty, as you all know it, somebody had not arrived up to now. I have already warned everybody to be here in good time when business must be transacted. However, the Vice-President and Minister for Home Affairs, who is the Leader of Government Business, has already apologised to the House on behalf of the Government and Ministers. How many apologies are sufficient? But, Mr. Minister, you may wish to apologise again.

*Second Reading*

THE APPROPRIATION BILL

**The Minister for Finance** (Mr. Kimunya): Mr. Speaker, Sir, I beg to add to our apologies

for not having been here when required.

Mr. Speaker, Sir, I beg to move that the Appropriation Bill, 2006, be read a Second Time. I wish to notify that His Excellency the President has signified his consent to this Bill.

The Appropriation Bill, 2006, seeks the statutory approval of Parliament to the Government expenditure contained in the Estimates of the Financial Year 2006/2007. Subsequent to the laying in the House of the Estimates for Recurrent and Development Expenditure, this House approved the Vote-on-Account on 22nd, June, 2006. The Treasury has, therefore, been implementing the national Budget for 2006/2007 on the basis of this authority. I wish to thank this House for making sure that Government programmes and services to this nation did not stall or become deficient.

I have on various occasions affirmed the Government's commitment to pursue the best practices in financial management. In this regard, the Treasury will continue to institutionalise the reforms that are required. It will further improve the budgeting process and financial management for enhanced development results for Kenyans. We are paying particular attention to reviewing the process and procedures, including Budget formulation methods, in order to identify areas that require strengthening and enhancement. These moves will result in sound Budget formulation, implementation guidelines and expenditure controls, which are key to the prudent management of our resources.

For the record, let me highlight some of the reforms and other measures we are implementing in the area of public finance. These are mainly the strengthening of financial reporting, and generation of accurate national data to facilitate sound planning and management of our resources. Accurate and clear financial reports will enhance our transparency and accountability. This will entail the reporting format for accuracy and comprehensiveness.

The second measure I wish to highlight is the re-orientation of expenditures to the priority sectors of our economy. In order to raise the competitive capacity of our enterprises, we will continue with the development of infrastructure and upgrading of existing facilities. In this regard, the focus will be mainly on the development of roads, making the railways efficient and enhancing electrification programmes.

The Government is committed to uplifting the standard of living of all Kenyans. In order to achieve this, we will earmark funds for programmes that will have a positive impact on economic growth in rural areas, such as the construction of roads, provision of water and electricity. The Government has also increased allocation for core anti-poverty programmes as part of the strategy for sustainable development, to reduce vulnerability of people living in the poverty-prone and semi-arid lands.

On account of the prudent management of our economy, implementation of structural reforms to date, including in the areas of governance, the economy has registered steady and broad-based growth since 2003. Indeed, as we all know, last year our economy grew by 5.8 per cent. We expect this growth to edge at slightly over 6 per cent in 2006. We have also managed to contain inflation and, more importantly, interest rates to affordable levels. Now, a large number of Kenyans can afford to borrow from the banking sector to finance their programmes. The Government is committed to meaningfully uplifting the living standards of our people in line with the economic recovery strategy, as well as the Vision 2030 that is currently being developed. We will continue until the year 2030 when we will have improved the quality of the lives of Kenyans and made this country a prosperous middle-income country.

Mr. Speaker, Sir, the vision that we are envisaging aims at scaling up development and the rate of economic growth to rate of, on average, 10 per cent. We hope to sustain this rate to the year 2030 to achieve the growth that we desire. To achieve this vision, we will require substantial investment by both the private and public sectors. We will also need to undertake some further structural reforms to tackle those factors that continue to hinder

our development. As part of the broad reform programme, we intend to further strengthen the public financial management by taking reform measures in this area. The reforms we intend to implement, especially in financial management, are as follows.

Mr. Speaker, Sir, the first one is developing a comprehensive budget law that will encourage and demand better financial management practices. The Treasury is currently in the process of developing this comprehensive budget law that will, among other provisions, address the concerns of this House. The proposed budget law will also endeavour to enhance consultations with this House in the formulation and implementation of the Budget. Some of the salient provisions that relate to the oversight role of this House, as envisaged in this new comprehensive budget law, are:

(a) the Minister for Finance will provide the National Assembly with reports and information as may be necessary to enable the National Assembly to be kept informed of the state of the economy of this country on a periodic basis;

(b) the Minister for Finance will inform the National Assembly on the policy basis for the annual Estimates;

(c) the submission of a Budget strategy paper to the National Assembly before the finalisation of the Estimates; this strategy paper shall include an assessment of both the current and projected finances of the country;

(d) a submission to the National Assembly in terms of the mid-term review of the implementation of the Budget.

These are key reforms that we hope to finalise in the next one or two months. I hope we will have the consultations that are required to get it going. I hope we will pass it in the early part of the year for it to be in place before the next budgeting cycle.

Mr. Speaker, Sir, the second reform measure is the re-orientation of the budgeting methodology and presentation. This will mainly involve the linking of the Budget to outputs, and shifting from the standard line item to programmes in which performance targets will be indicated. So that in terms of us not focusing any more on line items, we want to start telling Kenyans through this House that we are going to spend so much money on this programme to achieve this output rather than just talking about the expenditure item. We also believe that this will facilitate the performance management and enable the administration of performance contracts, and subsequently the assessment and evaluation of the performance of our public officers.

Mr. Speaker, Sir, the third and final item I want to touch on in terms of these reforms is the Budget scheduling. Due to time constraints, as we are aware, this House was only able to debate seven Votes. The rest were approved through the guillotine procedure. We have over the years taken cognisance of this fact. I have instructed my officers to develop a Budget preparation process that will enable me to discuss the Budget Strategy Paper with this House before the finalisation of the Printed Estimates to facilitate the effective consultation way before the Budget is presented. Even if caught by time, we will have covered most of the items long before the Vote-on-Account. The Estimates will be presented in form of programmes that will serve as a broad indication of the intent of the Government. This reform is intended to create time for analysis of the Budget, and facilitate consultation on the same with the relevant Committee of this House.

Mr. Speaker, Sir, as indicated, due to this heavy schedule the House managed to discuss only the following Votes.

- (i) Vote 01 - the Office of the President
- (ii) Vote 11 - the Ministry of Health
- (iii) Vote 12 - the Ministry of Local Government
- (iv) Vote 13 - the Ministry of Roads and Public Works
- (v) Vote 16 - the Ministry of Trade and Industry
- (vi) Vote 30 - the Ministry of Energy
- (vii) Vote 31 - the Ministry of Education.

The rest of the Votes were approved, as you all are aware, through the guillotine procedure in

accordance with Standing Order No.142, paragraph (7).

Mr. Speaker, Sir, I intend to contain the expenditures within the planned financing framework despite the shortfalls in revenue that may have been occasioned by circumstances beyond our control. However, as we move forward and circumstances warrant, the Government may consider some adjustments in the Government expenditure programme to align it with expected revenue outcome. Hon. Members are aware of the measures that may have led to some of the shortfalls in income, and I hope we shall take appropriate action at the right time to avoid further leakage of revenue. I will come to that on a different day.

Mr. Speaker, Sir, turning to the Appropriation Bill (2006), it contains the details of supply for each Vote, including the amount that shall be applied as Appropriations-in-Aid (AIA). Again, discussing the Bill further, Clause 2 provides for the issue out of the Consolidated Fund for sum of Kshs342,863,389,131 and to appropriate the funds for various services and purposes during the financial year ending 30th, June, 2007. This sum includes the amounts that were authorised by Parliament on the 22nd, June, 2006 through a Vote-on-Account in accordance with Section 101 of the Constitution of Kenya. Clause 3 of the Bill makes provision for the amounts to be applied as AIA for the various services and purposes.

Mr. Speaker, Sir, having briefly appraised hon. Members of the objects and reasons for the Bill, may I now request them to pass it in order to authorise the issue of the funds from the Consolidated Fund to meet the expenditures as contained in the Recurrent and Development Estimates of 2006/2007 Financial Year.

Mr. Speaker, Sir, as I conclude, I wish to thank hon. Members for the constructive contributions made during the Committee of Supply on the various Votes. These contributions will always be recognised and taken seriously. Where necessary, appropriate action has been, and will continue to be taken. I look forward to working harmoniously with hon. Members as we continue to endeavour to develop this great nation.

With those few remarks, I beg to move and ask Mr. Katuku to second the Bill.

**The Minister for Water and Irrigation** (Mr. Katuku): Thank you Mr. Speaker, Sir, for giving me this opportunity.

Mr. Speaker, Sir, as I second this Appropriation Bill, I would want to urge the Minister to be optimistic, because I can see that he may even raise more revenue than he expects, although he is not sure of that because of what happened a few days ago. This is in terms of some sections of the Finance Bill which were struck out. I want to appeal to him and the officers working under him to be vigilant on the issue of revenue collection. If we move in the current direction, we will be able to cover possible shortfalls occasioned by some amendments to the Finance Bill on the Floor of this House. With the efficiency of the Kenya Revenue Authority (KRA) that we are seeing and the zeal of our taxpayers in paying taxes, I think the Minister will raise enough money to fund the programmes for this financial year. It is important for all the hon. Members to work together to ensure that we give Kenyans the service that they deserve. It is not the responsibility of only the Government, but for all of us in this House, to ensure that money that has been allocated for a particular project is properly utilised. Hon. Members have a duty to ensure that the taxes that are collected are properly appropriated.

Mr. Speaker, Sir, I would like to appeal to the hon. Members to be the first people to point out if they see any of our officers misusing revenue that has been allocated for the various projects. In my Ministry, I would like to hear about any of my officers who is misusing revenue and is not implementing Government programmes as required. It is the desire of the Government to see that money that is allocated for projects is properly utilised. As we move round, we expect to see efficiency and fast-tracking the various projects. Once money leaves the Treasury to any Ministry and from the Ministry to any department and from that department to a district, we need to monitor its utilisation.

I would like to urge the Minister for Finance to improve the monitoring aspect. Although

Ministers are supposed to do that, the Efficiency Monitoring Unit at the Treasury needs to be strengthened in order to ensure that money that has been allocated to implement a certain project, for example, to buy vehicles for hospitals, goes to the same project. We need to have these services delivered.

Mr. Speaker, Sir, as a Government, we would like to devote more time to serving Kenyans. I would like to call upon the Opposition hon. Members to stop criticising what is not worth being criticised. If something is being done well, like the way the Government is doing very well in developing the infrastructure of this country, the Opposition hon. Members should say that we are doing very well. Where we are doing badly, they should say that we are doing badly. There are some Opposition hon. Members who criticise work done on roads even when they have been well done. They just want to be heard criticising. When we are doing well, they do not say that we are doing well. For example, in my Ministry, I would like to hear where we are doing very well and where we are doing badly.

I would like to appeal to the Opposition hon. Members to be positive. Since Independence, there is no Government which has performed like the NARC Government. We should agree on that all of us, both in the Opposition and in the Government, and come 2007, we should be given another chance to serve Kenyans. That is what we should be telling people out there because it is a fact.

Mr. Speaker, Sir, we should also appreciate what is currently happening in our country. We have rains, which are a blessing. My Ministry has suffered a lot of damage in that most of the pans and dams which we had constructed during the dry spell have been washed away. I would like to appeal to the Minister for Finance to consider my Ministry when he will be distributing the emergency kitty. My Ministry has lost many dams. I am sure the Minister will give me more money to construct more dams and pans. However, we need to educate our people on the culture of water harvesting, which is lacking in them. The Ministry of Water and Irrigation is trying to improve on the culture of water harvesting. In the last financial year, we did about 300 pans and dams for water harvesting.

I would like to appeal to the public to adopt the culture of water harvesting. It will rain today and tomorrow, you will find somebody trekking for many kilometres with his livestock to look for water. It is high time people dug small pans and dams in their farms. We need to have more tanks to harvest water. It does not make sense that it rains the whole night today and somebody will be looking for water tomorrow. People have no strategy at all, for water harvesting. The Ministry is trying to provide tanks in some areas. We are also working with the Ministry of Education and donors to provide tanks to schools, so that they can harvest water. With regard to our homes, people should adopt the culture of harvesting rain water. That is the only way we can build our capacity and make sure that we have enough water in this country to avoid the scarcity of water.

Mr. Speaker, Sir, I would like to point out the area of the implementation of power lines. The Minister for Energy is back in office and very eager to ensure that every part of this country is light. We would want him to be thorough. Money has been allocated to do certain projects, but implementation is taking a lot of time. I would also like to appeal to the Minister to ensure that projects which have been allocated money are implemented with speed, so that we can light this country.

With those remarks, I beg to second.

*(Question proposed)*

**Mr. Billow:** Thank you, Mr. Speaker, Sir. The Minister who was seconding the Bill took his time to perhaps glorify the scorecard of a defunct political party. However, let me concentrate on the issues that the actual Minister raised when he moved the Bill.

The Minister mentioned that the economy has done very well. There is no doubt that the economic growth of 5.8 per cent, which was registered last year and hopefully this year, is remarkable. The question that most of us and many Kenyans have raised is not about the fact that there is no growth in the economy. Growth in an economy simply means the economic output of a nation. What is important is how to translate that output into economic development of the nation. Economic development means employment. Is unemployment increasing or going down?

We have a situation where, in spite of that growth, unemployment, poverty and inequality are going up. We have a situation where in spite of the economic growth registered by this Government, all indicators of economic development show that we are actually going backwards in terms of our human development. That is shown by facts which have been presented by many studies, including the Human Development Index which is produced by the United Nations every year.

Mr. Speaker, Sir, this then means that there is something wrong with our economic policy. We need to re-orient our economic policies towards growth, not just growth in any sector, but growth in those sectors of the economy that will benefit or improve the lives of the majority of Kenyans. What this Minister needs to understand is that he has contributed more than anyone else, to the fact that the livelihoods of Kenyans are getting worse. I will give an example to demonstrate that. When he read the Budget this year, he increased the fuel levy by Kshs3.20. We argued here at that time; that, this would have an inflationary effect on the economy. The inflationary effect hurts the ordinary people. At that time, the inflation rate was around 7 to 8 per cent. Today, he should have the courage to tell us that it is at 16 per cent, in barely four months after he read the Budget. That means that whoever was paying Kshs20 for matatu fare is now paying double that amount. That is an effect that all Kenyans have felt.

Prices of basic essentials and--- The percentages of overall inflation are produced by the Central Bank of Kenya (CBK). Overall inflation indexes include basic commodities. These include things like power, transportation and telecommunications. All those sectors are included in the measure of inflation and we are told that it is going up. That is because our policies are not sensitive to the needs of the majority. They are sensitive to the needs of a few people, the elite and a few sectors of the economy. That will not help this country. We can talk about how much money we have collected, because revenue has to grow. That way, we are helping those people who produce. However, we are not helping majority of the people; the 30 million Kenyans who are struggling to make a living.

I appreciate what the Minister said; that they have developed a vision. That is very important because we have been moving without a vision. We have raised this issue every time the Budget is read; that, we need to know where we are going in the next 20 or 30 years. I think it is remarkable that this Government is thinking about a vision. However, I think it is important that the process of developing a vision for this country be inclusive. You must respect the same institutions which you expect to implement that vision. You must respect them when you are creating, developing and initiating that process. I raised this on the Floor of this House, that when the Government came up with the 2030 vision, it did not even have the courtesy to invite us for the function. It did not have the courtesy to lay on the Table any documents here, to inform us what the vision was all about. We have just been reading about it in the Press. Economists have been writing articles telling us that it is a wonderful idea but we have not seen it. We would really appreciate that if anything, something like this which affects the lives of Kenyans and the economy of this country is shared with us so that we give our input. Hon. Members in this House represent 30 million Kenyans in this country. Do not belittle them. This institution is important.

While we are talking about institutions, this Bill wants us to approve Kshs343 billion. That is not a small amount of money. To spend that amount of money and assist this Government, this House, in its wisdom has put up institutions which will act as a watchdog over the Government. That will provide an oversight role over this Government. One of these institutions is Parliament.

There are many others which play a significant role in this process such as the Central Bank of Kenya, the Kenya National Commission on Human Rights and the Electoral Commission of Kenya. The institutions are many. The institutions for which the Minister is allocating millions of shillings are the same ones which this Government is fighting hard to undermine. If you undermine these institutions, how do you expect this House to trust that you will be accountable and transparent in the spending of that money? I want to give an example of this situation.

These are public resources and the Minister has said that they will undertake, as a Government, to ensure that there is no misuse. When by-elections were held in July this year, the KNCHR issued a Report three months ago, which showed to which extent this Government went in terms of misusing public resources. The Commission recommended some specific amounts of money that this Government should recover from individuals who are serving in the Government and others who are not in the Government but misused State resources. So far, no action has been taken. If this Minister wants us to believe that he wants Kenyans out there---Kenyans are listening to you by the way. Ministers always forget that when they are addressing us, they are addressing Kenyans. If you want Kenyans to believe that you will take action, I think you should start by implementing the Report by the KNCHR, which says how much of the Budget money; the same one we approved in July, was misused in the recent by-elections.

On the issue of the Budget, I appreciate that the Minister has outlined the need to make it more inclusive. In this regard, Parliament has taken action already, by coming up with a proposal for a Budget Office. We have set up a Committee and the House has a Fiscal Analysis and Appropriations Committee which when fully operational, will have the opportunity to go through, scrutinise the Budget and advise this House. The Fiscal Management Bill, which is what addresses the issue of Budget is very important. If the Minister wants us to believe that he is committed to prudent financial management, there is need to prioritise that Bill. The House Business Committee has a Government majority. We need to prioritise that Bill. That is one way in which this House can play a very effective role in the Budget. Otherwise, we will have a stumbling Budget in this House. There is nothing we can do if in one hour, we are required to approve Kshs343 billion for this Government to spend. One way in which we can be effective in scrutinising that is if we have the Bill passed and the Committee of the House plays a significant role.

Another important point that needs to be addressed is the issue of Reports to this House. The law requires that you submit quarterly expenditure reports, on how you spend money. We have not been getting them. We do not have an opportunity to review how money in this House is being spent. We need to get them more timely and have the opportunity to scrutinise whether the expenditure is according to what we approved.

I agree with him that there is need, and that this Government is trying to prioritise expenditure, particularly, sector-wise. I agree that sectors that never used to get enough money like the water, infrastructure, and energy are now getting money. There is need, not only to prioritise sector-wise, but also to address the issue of inequality in allocation of resources. That, more than anything else, so that when we create priorities, we create them regionally. You cannot prioritise expenditure for a region that requires no development and ignore a region which requires urgent development. Otherwise, your priorities do not make sense. That is very important. Do not only look at sectors, but look at the regions. There are areas in Coast, North Eastern and Eastern provinces which have been cut-off for a month because there are no roads. There is no communication in those areas, yet we are expected to sit here and approve billions. I think it is important that in terms of development, the Government looks at regions and that is a matter that we need to address.

The Minister talked about reforms which are coming up. We need to appreciate them, particularly in the financial sector. The same Minister, yesterday, while answering the issue on pensions--- I appreciate that there is a Bill we passed but it was not practical. So, I think when we pass reforms here, we need commitment from the Government to implement them. If there is no

political will and commitment to implement Bills, we will pass them but they will not get implemented. That commitment has not been demonstrated, even at governance level. That is why even at constitutional making, we have not been able to go forward.

On the issue of emergencies, there is a contingency fund that should address emergencies like the one we are now facing. From our own sources, we are getting to know that bureaucracy in Treasury is making it difficult for Ministries which are dealing with emergencies to access that money. This House has been voting over Kshs2 billion for emergencies every year and there is no greater emergency than the floods which are killing Kenyans today, making areas completely impassable. Kenyans are suffering. So, we have been seeing only the Red Cross and other institutions, but we have not been seeing the Government.

Mr. Speaker, Sir, when we ask for military helicopters we are told they no longer fly. I have been told that Ministers have been using the Kenya Power and Lighting Company (KPLC) helicopter, the only one that moves as the helicopter for this Government. There is need to invest that money for emergencies. The Treasury should make it less bureaucratic to access this kind of money when there is an emergency. That is why we voted this money. We should not allow Kenyans to suffer when there is money that has been voted by this House for emergency purposes. We have not heard the Minister announce that because of a certain emergency, the Treasury has released, for example, Kshs500 million to the Ministry of State for Special Programmes. We need to hear this from the Minister, not stories about how well the Government has performed.

Mr. Speaker, Sir, lastly, I must address the issue of State enterprises. We are voting billions of shillings to State corporations which are operating today. However, there is the question of transparency on privatisation of State enterprises, which was a problem even in the past regimes. It is still a problem in this regime. We are getting stories everyday on this issue. In fact, let me give the latest example of Safaricom. It has suddenly been discovered that the Government of Kenya owns only 60 per cent and Vodafone owns only 35 per cent of Safaricom. We do not know who owns the other five per cent shares in Safaricom. What this Government is telling us is that they are not transparent. That company was set up by the Government of Kenya. We sold 40 per cent shareholding to a company called Vodafone. This is what Kenyans were told. If today that story changed, that information is available for verification in the dockets. The so-called Mobitel did not buy those shares from outer space, they bought the shares through a system in this country. The Government needs to be transparent in the same way the shares of KenGen were sold. We commend the Government in some of the privatisation programmes it has embarked on, particularly that of KenGen. The Government needs to be transparent. Kenyans need to know exactly what is happening. That is very important. The Minister for Finance is the custodian of State enterprises. That docket falls under his Ministry. This is a matter that is causing a lot of anxiety in the country. The Minister should tell us who the third shareholder in Safaricom is and how they acquired that shareholding. This is something that will help this country. Otherwise, the institutions that we have set up like the Kenya Anti-Corruption Commission (KACC) need to be empowered so that they can work.

Mr. Speaker, Sir, with those few remarks, I beg to support the Appropriation Bill.

**Mr. Kipchumba:** Mr. Speaker, Sir, let me give my comments on the Appropriation Bill. Before I do so, the Minister has clearly said they are developing a comprehensive Budget law. We are all aware that this House has already developed a Bill called the Fiscal Management Bill, which has been lying in abeyance for the last few months. Sometimes I wonder what the role of the House Business Committee is. At times, we look at Bills and we do not know how they are prioritised to the extent that the Fiscal Management Bill, which will empower hon. Members to participate fully in the Budget process, has never been prioritised.

Mr. Speaker, Sir, it is good to hear the Minister talk so nicely of how hon. Members will be kept informed on the Budget process. Hon. Members should not be kept informed, they should participate in the process. We cannot be told everyday that we will be informed. We are always



being informed on the Economic Recovery Strategy Paper (ERSP) and on policy. Hon. Members all over the world participate fully in the Budget process. We have just been informed that we managed to discuss only seven Votes out of the many that we have. The rest went through Guillotine. We are a mere rubber-stamp. This Parliament has continued to be a rubber-stamp of the Executive. This should not be allowed!

**Mr. Speaker:** Order, Mr. Kipchumba! That is very derogatory of the House. You had better use a more appropriate term. In my view and under my experience, this House has been very assertive and has kept the Government on its toes. I will not take it from you that this House is a rubber-stamp!

**Mr. Kipchumba:** Mr. Speaker, Sir, it is good to say that hon. Members participate in this process. However, passing seven Votes is not even a half of the Votes that are presented in this House.

This House cannot change anything. All we do is discuss and pass Votes as they are. We even have Ministers who come to this House to complain of how their Ministries have been allocated little money. It is time that this House participates fully, not in only passing votes, but appropriating the monies that Kenyans pay in taxes. The only way that this can be done is by passing the Fiscal Management Bill, which we have requested that it be brought to this House so that hon. Members are empowered.

Mr. Speaker, Sir, the Constitution states very clearly that before the Appropriation Bill is passed, we can only allow withdrawal not exceeding 50 per cent. This House is being taken for granted that we must always allow 50 per cent withdrawal. It is high time that Ministries that do not perform very well, and this House must assert itself on this, be given 10 per cent or 20 per cent. To the extent that they do not perform very well, they must not be given maximum. Those are the laws that this House must make so that we assert ourselves.

Mr. Speaker, Sir, the Ministry of Youth Affairs, for example, was allocated Kshs1 billion for the National Youth Enterprise Fund (NYEF). We are almost halfway through the financial year and yet no monies have been disbursed to assist the youth. Despite the fact that we voted this money, it has not been given for use by the youth in our country. This must be done quickly. The greatest problem we have in this country is not the availability of funds, but the use of the same. We vote in money every year, some of these funds at the end of the financial year, are returned because of the inefficiencies of the various Ministries. That is why I say any Ministry that does not utilise its funds properly in the next financial year must not be given the 50 per cent Vote on Account. This is very clear in the Constitution.

Mr. Speaker, Sir, I heard the Minister say very clearly that they want to change the Budget methodology. The easiest way to allow us to have time for other activities is to ensure that the budgets of the various Ministries are scrutinised by the various Departmental Committees. Every Departmental Committee should be given its responsibility, so that they can scrutinise the Ministry---

**Mr. Speaker:** Order, Mr. Kipchumba! Could I ask you, is that mandate not given to every Departmental Committee? Is it not a fact that Departmental Committees, for some strange reasons, do not do it? Is that not in law?

**Mr. Kipchumba:** Mr. Speaker, Sir, that must be put in law.

**Mr. Speaker:** It is in law! It is in the Standing Orders!

**Mr. Kipchumba:** Mr. Speaker, Sir, I am not aware that it is in any Standing Order. If it is, that is not being done. However, I am saying that let us put in law. Some of the Standing Orders cannot allow us to scrutinise some of these Ministries. Therefore, the Budget law the Minister is talking about is already in the House in the form of the Fiscal Management Bill. We are aware that if this Bill is passed, this House will have the power to appropriate money to every Ministry as it deems.

**Mr. Speaker:** Order, Mr. Kipchumba! Now, that is repetition; can you go to something

new?

**Mr. Kipchumba:** Mr. Speaker, Sir, I was answering what you asked. I was informing you appropriately.

**Mr. Speaker:** Order, Mr. Kipchumba! You have no capacity to inform the Chair; the Chair should inform you.

Anyway, proceed! You should go to something new now.

**Mr. Kipchumba:** I am sorry, Mr. Speaker, Sir. I am passionate about this because I am the Chairman of the new Fiscal Management Committee. We have been waiting for this Bill for a very long time.

**Mr. Speaker:** But you know, Mr. Kipchumba, you have put it so well and you do not have to repeat it a thousand times.

**The Minister for Water and Irrigation** (Mr. Katuku): On a point of order, Mr. Speaker, Sir. I would want to point out to the Chair that the hon. Member has claimed that our Standing Orders prohibit this Committee from investigating and interrogating Ministers.

On the contrary, Standing Order No.4(a) says that:-

"Committees have the mandate to inquire into and report on all matters related to management activities, administration and operations of Ministries."

Is he in order to mislead this House that there are Standing Orders that prohibit him and his Committee from interrogating the Government?

**Mr. Speaker:** Indeed, as the Chair, I have wondered. Since we reintroduced the Departmental Committees, the critical role of actually auditing the Ministries as provided for in the Standing Orders has been completely ignored by the various Committees. I think all they need to do is occasionally turn their attention elsewhere.

As the Chair, I really want Departmental Committees, after the length of time we have had in developing them, to now take their roles seriously as empowered to them in the Standing Orders so that we do not have only to rely on PAC and PIC which do post-mortem.

So, you can now proceed with that and I will encourage you to look at that relevant Standing Order. If you are in any of those Departmental Committees, take that job seriously.

**Mr. Kipchumba:** Mr. Speaker, Sir, I will take your advice. But I was emphasising the role of Committees in the Budget process; not more of the audit process. Budget is more about the future and not the past.

Mr. Speaker, Sir, the Minister has clearly said that the economy is expected to grow by 6 per cent. That is very encouraging. In fact, we would like it to go to 10 per cent as envisaged in the Vision 2030; a document which is foreign to us because we have never seen it.

I would want that resources are distributed equitably in this country. Development is not about growth alone. It is about the sharing of resources throughout the country. In fact, Kenya is rated as one of the countries with the highest inequality in the world in terms of income distribution. Therefore, it is not about growth that we want. We want distribution of resources.

Mr. Speaker, Sir, this House has passed the Privatisation Bill and the Procurement and Disposal Bill. I would like the Minister to tell us what has happened to the Privatisation Bill. Every time a parastatal is being sold in this country, it is done in a very haphazard manner, not following the procedures that we passed in this House. In his reply, the Minister should explain to the House what happened to the Bill. Has it been assented to by the President; and if so, why is it not operational? There is no point for this House passing Bills and they are not made operational.

The Procurement and Disposal Bill is equally not yet operational as passed by this House. In his reply, the Minister should explain to us candidly why KenGen was sold without following correct procedures. We are now being told that there are other companies that will be sold, but we have not been told whether they will follow the procedures as passed by the House.

Mr. Speaker, Sir, the Ministry of Environment and Natural Resources is very critical. The other day, the whole world gathered in this city to discuss how they are going to save the

environment. But if you look at the money that has been voted for that critical Ministry, it is very little. I hope that during the Supplementary Estimates, the Minister in his own wisdom will consider increasing money to that Ministry. There is no point of us hosting the world in this city to talk about saving the environment and yet our environment is deteriorating. The Minister for Water and Irrigation is here and he knows very well that water levels are going down.

Mr. Speaker, Sir, I would want to end by saying that this Government must stop the culture of creating more Ministries and increasing Ministers and their Assistants. This is causing a lot of strain on our Budget. There is no point of having all these Ministers and Assistant Ministers yet when it comes to answering Questions, they are not there. At times, we do not understand why departments have been turned into Ministries. A Member had brought in a Motion seeking to limit the number of Ministries that the Government can have at any given time. I know there is a provision in the Constitution, but that Act must be limited by this House. Otherwise, very soon, we will have everybody on the Government side either as a Minister or Assistant Minister, which is going to be very expensive for this country. All these Ministers and Assistant Ministers have vehicles.

The Minister, during his Budget Speech, promised to withdraw some of the vehicles and that they are going to auction them so that the money can be used to develop this country. In as much as we have been told the vehicles have been withdrawn, they have not been sold. Why withdraw and keep them in garages? In fact, instead of doing that, you better put them to use because they are of no value to us. Therefore, I want to urge the Minister that before the end of this financial year, he should give Kenyans a Christmas present by selling those vehicles and give the money to the people of Coast Province who are affected by floods. I would want the Members from Coast Province to support that initiative so that the money can be given to their people to improve their lives.

With those remarks, I beg to support.

**Mr. Angwenyi:** Mr. Speaker, Sir, right from the outset, I would like to say that I support this Bill. However, I would like to point out that we are appropriating the resources of this country to provide goods and services to our people. Even as we do that, we must ensure that the small person down there who does not have shoes or a long trouser to put on benefits from the passage of this Appropriation Bill.

We have been told over and over again that a lot of money has been looted from this country and it has been stashed away in foreign land. Every year, we appropriate in excess of Kshs5 billion for our National Security Intelligence Service (NSIS). What do they use this money for if they cannot identify where the money has been stashed and actually find ways of repatriating those funds back to this country? I would like the Minister for Finance to think seriously about this issue. Perhaps, he should reduce the appropriation for NSIS and allocate part of the funds, say, Kshs2 billion or Kshs2.5 billion for the employment of more teachers in our schools so that we can provide quality education to our children.

Mr. Speaker, Sir, you can see from the Bill that we are appropriating a substantial amount of money to the Ministry of Foreign Affairs and yet it does not respond when the image of this country is being damaged by both local people and foreign missions. Is it true, for example, that the amount of money being traded at the Nairobi Stock Exchange (NSE) is drug money? Is it true that we have failed in our fight against corruption as has been stated by the USA and UK? Why can we not have a response from the Ministry of Foreign Affairs? We pay them a lot of money as is evident in this Bill.

I commend the Government for the steps it has taken in addressing the problem of floods in North Eastern Province and Coast Province. However, I would like to urge the Government to allocate more resources to the Ministry of State for Special Programmes so that they can even give seeds and fertiliser to the people of Kitutu Chache Constituency. We experienced drought last year and so we did not get proper seeds from what our farms produced. So, if the Government could

address such a problem, we shall be very glad instead of letting people from Kitutu Chache, and Kisii in general, to wait for relief food. If we are given seeds and fertiliser in advance, we will not have to wait for relief food at the end of next year. We need to allocate more funds to priority Ministries.

We are appropriating a substantial amount of money to defend this country and yet we still have a heavy flow of refugees entering this country with small arms. These arms are used to kill and maim Kenyans all over the country. Why can we not have our defence forces on our borders to make sure that whoever enters this country as a refugee is not armed? Why can we not deploy our forces to help in relief work whenever we are faced with such calamities? The Minister for Finance should be advised to prioritise the appropriation of national resources in support of the people of Kenya.

My colleague, hon. Kipchumba, said that this is a rubber stamp Parliament. Although you advised otherwise, I still believe that this is a rubber stamp Parliament. Why am I saying so? When is the last time we appropriated funds from one Ministry to the other where we thought that it would be better applied? That has never happened in the history of this Parliament. When was the last time we reduced the amount of money appropriated for a particular Ministry to show dissatisfaction with their inability to work? We have never done so, as far as I can remember and I have been in this Parliament for ten years now. When was the last time we stopped completely appropriating funds to a Ministry which does not perform? We have never done that too.

Today, we need more funds to improve our infrastructure. We need more funds for the development of our energy sector, communications, roads, water provision and so on, but we cannot even remove funds from one Ministry to another which we believe will make better use of the money in offering services to our people. If we had that power, we ought to have removed some funds from, say, the Treasury and give the same to the Ministry of Water and Irrigation so that the people of Machakos or Kitutu Chache can receive clean piped water. We surely can do that, but we have never tried it.

It is upon us hon. Members of Parliament, instead of complaining the way I am doing, that we move with dispatch and make our presence felt as the watchdog of the taxpayers' money. The Government taxes our people and so we must influence how that money is utilised.

We have never had a petition here like the one hon. Kipchumba was trying to explain. He said that we should develop a special programme for special areas. Take the example of Maasai Mara and Amboseli. Those natural resources of this country are being destroyed very fast. However, you cannot see in this Appropriation Bill any special funding to restore and preserve those natural resources of this country. Look at Lake Nakuru and Lake Elmentaita; those two lakes are disappearing! There is no special appropriation to cater for that imminent calamity and yet we earn so much money from those natural resources.

There is no special appropriation in this Bill for the purpose of buying land somewhere in Kenya, perhaps, irrigate it and then move those people who are destroying forests and settle them in a humane way to that land that has been purchased by the Government. Hon. Prof. Maathai has been crying alone in the wilderness, but the Ministry of Finance has never listened to her cry. She cries for the beauty of our country. She cries for our fauna and flora, but there is no appropriation to attend to her stress and that of this country. Could the Minister for Finance, for a change try to consult widely in this Parliament and even beyond so that he can address some of the problems that are affecting our country.

Mr. Speaker, Sir, I would have wished to see a special allocation to mop up small arms in our country. There is a proliferation of small arms in every corner of this country. Today, if you went to the deepest parts of Kisii, you will be attacked by thugs who have AK47 guns. Five years ago, you would not find AK47 guns anywhere in Kisii land. Today, those guns are there in plenty. They are available in Amboseli and so many other places in this country.

**Mr. Muite:** On a point of information, Mr. Speaker, Sir.

**Mr. Speaker:** Would you like to be informed, Mr. Angwenyi?

**Mr. Angwenyi:** Yes, Mr. Speaker, Sir.

**Mr. Muite:** Mr. Speaker, Sir, I wish to inform Mr. Angwenyi that apart from mopping up small arms, one small step the Government can take is to enhance the sentence for being found in possession of an illegal firearm. The sentence, as it is now, is a fine of Kshs2,000 or imprisonment for six months. Why can that not be enhanced to 14 years in prison?

*(Applause)*

**Mr. Angwenyi:** Mr. Speaker, Sir, it looks as if he read my mind since I was going to say exactly what he has said.

Mr. Speaker, Sir, actually, in the last few months I have seen some disconnect in the operations of the Government in this country. There is a disconnect between Parliament and the Executive and between the Executive and the Judiciary and especially between the Attorney-General and the Judiciary. A suspected criminal commits an offence as serious as rape and he is taken to court and by some bizarre way, that person is released by the court. You cannot believe it. You cannot believe whether the people serving in the judicial system live in this country or somewhere in the heavens. You can see the torment and stress that is visited upon our womenfolk and small children.

Today, you see a person who has misappropriated millions of shillings from the public coffers or even from other private people is sentenced for two years and yet somebody who steals a chicken is sentenced for between seven and 14 years. There is a disconnect somewhere! Maybe this Parliament, the Attorney-General or the Minister for Justice and Constitutional Affairs should bring a law here so that we have minimum sentences for these types of crimes.

Mr. Speaker, Sir, just imagine I saw the other day somebody who had misappropriated funds in excess of Kshs9 million from some department and he was imprisoned for six months. On the same day somewhere, I think in Kakamega, somebody who stole one chicken from a home was imprisoned for 14 years. What justice is this? There is a disconnect somewhere which we must address and we can address it as Parliament, by either bringing up that law or reducing the amount of money we are appropriating for the Judiciary. We cannot fight crime or corruption, for example, unless we pass deterrent sentences for these types of crimes.

Mr. Speaker, Sir, as we appropriate these funds for various Ministries, I hope the Minister for Finance has now learnt over a period of almost 12 months to work with this Parliament by consulting us. We are the people's representatives.

*(Applause)*

We are the ones who tax our people for him to get the money. He should talk to parliamentary committees before he prepares his Budget and before he appropriates his money so that the people's representatives can put some input in his decisions.

With those few remarks, I would like to support.

**Mr. Muturi:** Mr. Speaker, Sir, thank you for giving me this opportunity to say one or two things about the Appropriation Bill. As we speak, I am sure you are aware that we have already passed the Vote on Account and that the importance of the Appropriation Bill to the country and even to the House cannot be gainsaid.

Mr. Speaker, Sir, as we debate the Appropriation Bill, it is important that we look at some of the issues that are happening in the Government. The Minister for Finance first read the Budget here in June. He did create what we call the National Youth Enterprise Fund. It is just last week that the Permanent Secretary in the relevant Ministry was quoted in all media houses admitting that there is no legislative or legal framework to govern the operations of that fund yet. We passed the

Vote on Account on 22nd June this year. So, one then starts to wonder whether the Government was serious about the National Youth Enterprise Fund or was it the usual politics? I am saying this because this Government is full of people who get very excited about using huge phrases like "we are going to sweep every corner or village of the country with this or the other".

*(Applause)*

Of course, we have no quarrel with corners or villages being "shaken", especially with electricity now. We would appreciate if every corner of this Republic is "shaken" with electricity. Indeed, I want to welcome and congratulate the Minister for Energy for having been reinstated.

However, the point I am making is this: Do not be carried away by these high-sounding phrases like "we are going to shake this" or "National Youth Enterprise Fund is going to ---". You create them and then you go to sleep. You come and announce them and then you take a back seat. The youth in the country are asking us, as their representatives, what we are expected to do in order for them to access the youth funds. There has been all manner of stories and excuses until the Permanent Secretary came out to admit that there is nothing he can do. Indeed, he cannot even access it from Treasury. That was the admission by the Permanent Secretary and the reason why he cannot access it is because there is no legislative or legal framework. I want to urge the Minister for Finance if, indeed, there was seriousness in the creation of that National Youth Enterprise Fund, that the legal mechanism for operationalising that fund be put in place immediately as we pass the Appropriation Bill so that we can move away from the era of the usual rhetoric that we have had in the last four years and go into practicals.

The Minister for Finance would know very well that when we are discussing this particular Bill, some of us are quite concerned that having passed the Vote on Account we gave the Government some money. We are concerned about how those funds are being or have been so far utilised. If, indeed, those funds were utilised properly, would we have been seeing the kinds of reports that we were seeing from the Kenya National Commission on Human Rights about misuse of State resources by Government Ministers while campaigning for non-parliamentary political parties, which some opinion polls have even called the Government? I think there is total confusion on that side of the House.

Can the Government begin acting on some of those reports because those are public funds? We are concerned that when the misuse of public resources is pointed out to the Government, everybody, even those who have not cared to scrutinise and read the reports, are up in arms to defend those people mentioned. Let us not defend the indefensible. When people fly in military or police aircrafts, it is there for all to see and then next thing you say is that you were paying for it. The truth of the matter is that they never paid. They have even been billed because they never paid and yet in the public or even on the Floor of this House they come and say that they were being paid for. We want to urge the Minister for Finance to tighten the screws on some of these Ministries to ensure that these public resources that we are appropriating do not go to waste.

Mr. Speaker, Sir, in fact, as we debate this Appropriation Bill, I am at risk of letting the cat out of the bag. I want to question the logic of my very good friend, the Minister for Information and Communications statement that the Government only owns 60 per cent shares within Safaricom through Telkom Kenya. That is all they are concerned about. According to them, the rest belongs to Vodafone PLC, yet Vodafone PLC confirmed that they own only 35 per cent. Surely, it must be the concern and interest of any caring Government Minister to want to find out---

**The Minister for Information and Communications** (Mr. Kagwe): On a point of order, Mr. Speaker, Sir.

**Mr. Muturi:** What order have I breached?

**Mr. Speaker:** What is it, Mr. Minister?

**The Minister for Information and Communications** (Mr. Kagwe): Mr. Speaker, Sir, is

my friend, Mr. Muturi, in order to mislead this House that Vodafone PLC has said that they own only 35 per cent when, indeed, as a lawyer, if he visited the Registrar of Companies, he would see clearly that there are two shareholders of Safaricom; Vodafone PLC and Telkom Kenya. Is he in order to follow newspaper reports, which we do not refer to in this House?

**Mr. Speaker:** You are right! Mr. Muturi, it is against the Standing Orders actually to refer to newspaper reports.

**Mr. Muturi:** Mr. Speaker, Sir, I shall not be cowed by that simple argument. I am a living human being. I watched him on television say what I have just mentioned. Now, am I being told that I cannot refer to what I saw and heard him say?

**Mr. Speaker:** Order! Order, Mr. Muturi! As a lawyer, you should know that there is a difference between the law that ought to be, and the law that is. For the time being, we will follow the law that is.

**Mr. Muturi:** Mr. Speaker, Sir, you and I do know that, that is what is called the legal positivism, and that it is not necessarily the only philosophy of law. We are permitted to belong to other schools of legal philosophy.

**Mr. Speaker:** Order! Order, Mr. Muturi! You are permitted to hold any view you please so long as it is in conformity with the Standing Orders, which it is not.

**Mr. Muturi:** Mr. Speaker, Sir, there is a difference between the law and facts. What I was referring to here is not law but facts. If I see Mr. Kagwe, a very good buddy of mine, on television, say something, should I come here and ask him whether what he said is correct or not correct?

Be that as it may, that is not the point I was making. The point I was making is that, indeed, as a House, it is only fair that we should demand to be told by the Government what the correct position regarding that vexing issue is; because, even in as much as the facts at the Registrar of Societies Office may show this or the other, nevertheless, to the extent that there may be an element of suspicion regarding that ownership, it is important that the Government at all times informs its citizens of the actual position, to avoid any situation whereby unwarranted suspicions will crop up.

**The Minister for Information and Communications** (Mr. Kagwe): On a point of information, Mr. Speaker, Sir.

**Mr. Speaker:** Order! Order! Mr. Minister; if you, really want to take up the invitation being proffered to you by the hon. Member which, if I were you I would do, you would legitimately ask the hon. Member to give way and then you would give that central and important information to the House. Until you take that route, you are not permitted to give information while seated.

Proceed, Mr. Muturi!

**Mr. Muturi:** Thank you very much, Mr. Speaker, Sir. I believe that the Minister will take up the advice you have given him.

Mr. Speaker, Sir, it is important that we mention some of the issues that the Minister made reference to, one of which is the fact that the Treasury is developing what he called the "comprehensive Budget law". As a House, we would welcome that initiative but, of course, we would want a situation where these, again, are not just statements of platitude. We want what the Minister says on the Floor of the House to be something that can be actualised, so that we can be able to follow it up, as representatives of the people.

The Minister did admit, while initiating debate on this Bill, that he was concerned that we were only, as a House, able to scrutinise, through the Committee of Supply, seven to eight Ministries' Votes. That is a matter of grave concern. The principle of no taxation without representation would be lost when the House is not able to scrutinise the Votes of as many Ministries and Government Departments as possible.

We welcome the Minister's announcement that he is looking into the matter by way of developing a comprehensive law that will involve this House prior to presentation of the Budget so that, indeed, we will not have to take so much time debating the Budgetary proposals given that we

will have had occasion to give our input.

Of course, we must live by the law as it is. I quite agree with you. Guillotine is one of the procedures that are within the law and our Standing Orders but, of course, we are entitled to our view, which would be to state that it is, in this day and age, an archaic way of dealing with Budgetary issues. Indeed, as the Minister himself admits, he would want the House to give as much input as possible to the Budget process, and yet, we still have the Guillotine procedure.

Mr. Speaker, Sir, there is an issue that has arisen. We are making appropriations today but when the Budget was, first read here in June, the Ministries, the Ministers and the Assistant Ministers were not as they are today. So, as we do this appropriation, it means that there will be some money which will have to be spent on the extra Ministers and Assistant Ministers, who were not there. We must keep asking ourselves: Are we adding value to the process of governance by having such a bloated Executive? Is it worth it? Is this merely for the Government's political survival in the House?

If this is, indeed, meant to beef up the numbers for the Government in the House, should the Minister not be concerned that, even as we debate this Bill, the Front Bench on the Government side is almost half empty, notwithstanding the recent new inclusions in the Government? One must be asking why we have kept increasing the number of Assistant Ministers to the extent that it is now becoming very difficult for the Committees of the House to function because, literally, almost everybody on the Government side of this House is now either a Cabinet Minister or an Assistant Minister.

Mr. Speaker, Sir, it is within the Treasury's mandate to advise the President that we need to tone down the number of Ministers. We would want a situation in which the House is vibrant without necessarily being negative. I want to support the proposal by the Minister for Water and Irrigation. We do not necessarily have to oppose every proposal that comes from the Government because, not all proposals that come from the Government are bad. In all Commonwealth Parliaments, the Government side is known to have its numbers but the practice today is that if, for one reason or another, certain Members of the Government are not present in the House, the Government Chief Whip and the Opposition Chief Whip do something called "pairing" to ensure that those in the Government continue to govern.

So, I want to go on record as saying that it is not always the practice that we will oppose that which comes from the Government. There are occasions when the Government comes up with very good ideas. The creation of the Relief Fund, for instance, was a good idea but, as you can see, it is now being fumbled through non-implementation.

Mr. Speaker, Sir, an issue did come up recently. Transparency International did indicate in its last publication, that the Kenya Government lost close to Kshs85 billion in the last financial year, through procurement. That must be a matter of concern. It is a matter of concern to me because this very House debated exhaustively the Public Procurement and Disposal Bill, and to the best of my knowledge, it received Presidential Assent. But for close to one year now, it has not been operationalized. In it, it is the Minister for Finance who is supposed to give the commencement date of that law. When we debated that law, we thought that we were creating a law that was going to make it slightly more difficult for those involved in public procurement to pilfer public resources. When we hear these kinds of reports and the law is still not in operation, we get concerned.

Therefore, Mr. Speaker, Sir, as a consequence, I want to appeal to the Minister to move with speed to do what he is supposed to do in order to make that law operational. It is through public procurement that most of the mega scandals that we have read about have happened. If, indeed, we are serious about curbing corruption in this country, then the Minister for Finance must take it upon himself to ensure that the Public Procurement and Disposal Act, 2005, commences to operate.

Indeed, the Minister had given a directive that so many Government vehicles which were



being used by various functionaries, "junior" Ministers and other fellows be surrendered back to some pool. How are those vehicles going to be disposed of? If there is going to be any disposal, we would want it to be carried out under the provisions of that new law. If, on the other hand, they are not going to be disposed of, we have certain Government services that are in dire need of transport. This includes, but is not limited to, particularly, the Ministry of Health, the police and security mechanism in this country. Indeed, I will be proposing to the Minister that, even before he thinks about the disposal of those excess vehicles, he should consider those particular Government services; those dealing with security and health. Day in, day out, in this House, we keep asking Questions about ambulances and this kind of transport for certain health institutions in the country and there are no ready answers for these Questions. If, indeed, the Minister's directive has been obeyed, then I think we should be seeing some method for redistribution as opposed to disposal.

With those few remarks, I beg to support.

**The Minister for Roads and Public Works** (Mr. Nyachae): Thank you, Mr. Speaker, Sir, for giving me this opportunity. As you know, I do not take very long in my contributions.

First, I would like to express my support for this Bill. Secondly, I want to express my appreciation to all those who have made contributions. Some of us are not taking these contributions as criticism. I think these are contributions which are meant to enable us to improve the management of our system of appropriating the money that Kenyans give us. The Minister has done his best and we are here to assist and guide him on how he should proceed in managing the money that Kenyans give us or the Government through this House. Mr. Speaker, Sir, listening to what my colleagues have said, I think that there are certain areas we do not have to complain here. For instance, if you are part of a Departmental Committee and you have powers to summon any Minister or officers of that Ministry, you should use those powers, please, so that you can get the necessary explanations. That way, we will get things done.

Having said that, I think there is one area that I, personally, feel requires very urgent attention in managing our resources; that is taking decisions on the basis of priorities, and making allocations on the basis of priorities. In this country, we seem to be going by a tradition that has existed for many years. We need to sit down and say:- "What do we want to achieve this particular year? What do we want to be given priority this year?" I am saying this because we keep on talking about infrastructure all the time, but how much priority are we giving to infrastructure? Whether you are talking about electricity or roads, it is true that we are getting some support from the Ministry. But the support we are getting can never make us move as fast as the demand that is out there. The areas which require first priority are not being given the top priority by us.

*(Applause)*

I will give an example. The highways in this country are in a very poor condition. But what are we doing about them? We are not giving them the first priority. We should put a request to the European Union (EU) and the World Bank to help us repair our highways. I work with these people, but I am sorry to say that they are not understanding our priorities.

*(Applause)*

**An hon. Member:** They are too bureaucratic!

**The Minister for Roads and Public Works** (Mr. Nyachae): Mr. Temporary Deputy Speaker, Sir, when we make a proposal to them, it takes one year just to get a simple reply from them! Then, you go to the tendering process, and they will sit on the tender results for six months before you get a reply. By the time you reach the stage of approving and allocating, two years have gone by! Then, over and above that, they think that we do not have qualified people. So, they have to send an engineer who was appointed from somewhere in India or from some other country, who

is not any better qualified than our own engineers here, to come and tell us what to do.

*(Applause)*

This is not right for the country! We have very experienced engineers here, but they are subjected to an engineer in Washington! This does not only apply to the Ministry of Roads and Public Works. When I was in the Ministry of Energy, I went with senior engineers to Washington DC to discuss some programmes for this country which were supposed to be supported by the World Bank. However, we were taken round in circles. A very "small" man from some small island chaired that meeting which we attended. He never gave us an answer. We used our own money to travel all the way to Washington DC and came back bare-handed. This is not right. We must show them that we can do certain things. If we gave priority to what can trigger our economy upwards, these people would realise that they can help us, but we can proceed without them. I think it is extremely important that we are understood that way. When we listen to the radio or watch television---

*[Mr. Speaker left the Chair]*

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

**Capt. Nakitare:** Mr. Temporary Deputy Speaker, Sir, I rise on a point of order, under Standing Order No.8. Since the debate on this Bill has consistently been repetitive, May I, please, request that the Mover be now called upon to reply?

**The Temporary Deputy Speaker** (Mr. Ligale): I think there is still sufficient interest in this matter.

Please, continue, Mr. Minister!

**The Minister for Roads and Public Works** (Mr. Nyachae): Thank you, Mr. Temporary Deputy Speaker, Sir. Actually, I feel very embarrassed that somebody who is younger than me is trying to stop me from continuing to contribute.

Mr. Temporary Deputy Speaker, Sir, let us accept that we can develop this country, and show the way. I was referring to watching television and reading newspapers. You will find an ambassador challenging the Government and Kenyans, and yet, we remain quiet. My question is: What contribution is that particular ambassador's country giving us here? They have not constructed a single road for us. They just attack us because they are members of the Board of the International Monetary Fund (IMF). I would like the Minister for Finance to tell us one day what those countries have done for us. For instance, I have not known where Americans have contributed towards food and water supply and health services. But they are the worst when it comes to attacking our country. Likewise, even the British Ambassador to Kenya speaks against our Government and country, as if they own us. Even if we put together the American and British aid, it will not be equivalent to half of what we are getting from China. People are just opening big mouths because they knew how to colonise and we are psychologically still fearing them. We have a Government which has also a system of communicating with foreigners. We should use that system to tell them: "Look, you have only a place where you will take your audience." No Kenyan Ambassador will be allowed to address a meeting or press conference in the United States of America (USA) to attack the Government of the USA. Likewise, no High Commissioner of Kenya in London can be allowed to attack the British Government on its soil. But here, we have created a situation which is very bad. This tendency must stop.

*[The Temporary Deputy Speaker]*

*(Mr. Ligale) left the Chair]*

*[Mr. Speaker resumed the Chair]*

Mr. Speaker, Sir, I thank Mr. Muturi for mentioning about the alleged loss of Kshs85 billion through procurement. I think we are fond of just being mesmerized by people who open their big mouths and quote big figures. Since Kenyans are intelligent enough, it is high time we demanded that anybody who makes allegations that Kshs85 billion has been lost through procurement, should give us the breakdown. In which areas of procurement did the money get lost? We should see the breakdown so that we can work out the total and then confirm whether the money truly has been lost. We should not just listen to a young man from Transparency International (TI) talking about figures which we do not know how he arrived at. He did not even tell us how the money got lost.

Mr. Speaker, Sir, this House and the Ministry should make some contribution towards the issue of priority. When the floods started, I travelled to Mombasa by an Airforce helicopter. My colleagues and I were stuck for two hours because the helicopters could not function effectively. They are not being serviced. How can a country like Kenya have helicopters which were bought 25 years ago? How can we still be using such helicopters? Whenever we land somewhere they fail to take off. Surely, we can replace them. I do not fear flying. In fact, I like it. But this time, on my way back having seen the helicopter not doing very well, I asked the pilot who was flying it, how old it was. He told me it was purchased in 1977. You know when you are airborne and you start thinking that the helicopter can easily break down, you will not be comfortable. Even at my age, I love myself. So, I was not quite comfortable. I would advise the Minister that so long as he follows the right procedure, he does not have to provide cash at one go to purchase an aircraft for the Airforce. Most countries in the world, including the USA, purchase their equipment on credit. The Minister should get proper means of transport.

In reality, we want to look after our borders. But if today we had a crisis there, mobilisation would become a very big problem. If we do not have enough equipment, we cannot deal with emergencies. It is the vehicles which we procured only this year that managed to move 30 temporary bridges from Nairobi to Coast Province. If we did not have those vehicles, those bridges would not be undergoing repairs. We must decide on the issue of priorities.

Finally, this issue of priorities is beyond the normal economic growth. We must give priority to the needs of the poor. I think, whether we like it or not, our economy can grow, but as long as the poor are the majority we will always face constraints in the smooth management of our system. This is because the poor will always feel frustrated. They will feel that they have nothing to lose and can do anything they like. This is why people are quarrelling over all kinds of things, as was the case in the recent clashes in Mathare Valley. You can give all kinds of excuses. Why would somebody collect taxes illegally from *chang'aa*? First, *chang'aa* is brewed illegally. Then the one who collects taxes from *chang'aa* selling people is also acting illegally. People who have decent income and enjoy reasonable living conditions will not do such things. So, we must also pay attention to the poor people, so that they can come out of this situation, which threatens the growth of our economy.

With those few remarks, which are more than I usually make, I beg to support.

**Mr. Speaker:** Very well; before I call upon the next hon. Member to contribute, I want to bring to the attention of the House that this is the Appropriation Bill. We have talked about policies earlier on, either through the Financial Statement or the Committee of Supply. So, this debate is about the provision of money; say whether you would like to give XYZ amount to a department or not. I think that should be clear now. Let us not go into policies; that we finished a few months ago.

*(Maj-Gen. Nkaiserry and Mr. Kajwang)*

*stood up in their places)*

It is KANU's right; maybe somebody is in the wrong place.

**Maj-Gen. Nkaisserry:** Thank you, Mr. Speaker, Sir. I am on the Front Bench and that is why I am lucky.

I would like to take this opportunity to support this Appropriation Bill. I think it is very important that we look at the priorities of this country. Without security, definitely there will be no development. When you look at the security of this country, you will see that it needs a lot of improvement. I am happy that the Minister for Roads and Public Works alluded to the issue of the capacity of our security forces in terms of mobility and airlifts. When you look at the Budget, and I would like the Minister for Finance to listen to this because it is very important, we were told that this country will collect over Kshs300 billion, yet, this country has not planned for mitigation of emergencies and disasters. We are in a problem. The major problem here is the lack of capacity for this country to take care of itself. Do you remember what happened during the 1998 Nairobi bomb blast? We had to wait for Israelis from Tel Aviv to come with their equipment to help Kenyans. This even included bringing here, by the Israelis, a small dog. This country has no capacity to even train a small dog how to sniff.

I would like to tell the Government that while we look for new friends it is very important that we retain our old friends. We accuse the Americans and the British Governments, but HIV/AIDS money given to this country comes from the American kitty. The United States Agency for International Development (USAID) helps in construction of our roads and other development activities in this country. So, as we look for new friends we should not discard our old friends. It is very important that we bear that in mind.

I would like to mention a few things here. Of late, Government Ministers have got into the habit of using Government resources to campaign for the re-election of the President. When did the Electoral Commission of Kenya (ECK) declare that elections are around the corner? These are Government resources which we need to use in other areas. In the North Eastern Province, apart from the Minister of State for Special Programmes, we have not seen any other Minister there. In fact, that Ministry should be designated as the "Ministry of Disasters and Emergencies". Under the Ministry, we deal with drought, floods and other emergencies.

Mr. Speaker, Sir, the issue of expanding the Government up to 91 Ministers and Assistant Ministers is going to eat into the meagre resources that we have. This is an area where the Government has continued to go against the pledges it made to Kenyans. On the election of this Government, it promised a lean Cabinet to the people of Kenya. We are now at a figure of 91 Members of the Cabinet. This is almost half of the Kenyan Parliament. Now, imagine the salary each Assistant Minister earns. Each one of them earns Kshs100,000 over and above an hon. Member. Just imagine that amount of money! Imagine how much of that money can be used to help poor Kenyans. It would, therefore, be very important for the Minister for Finance---

Mr. Speaker, Sir, this Government has the habit of making excuses. The Minister promised Kenyans, in this House, that he was going to withdraw all the extra vehicles given to Ministers and Assistant Ministers. We would like to know the number that has been withdrawn and how much money the disposal of the vehicles fetched for this country. We can then use that money to help the poor.

Mr. Speaker, Sir, I am very happy that the Minister for Roads and Public Works has confirmed that donor money takes a long time to come. When we were discussing the Ministry of Roads and Public Works Vote, the amount of money allocated to Government-friendly constituencies represented by Ministers was from the Government. However, the money allocated to Opposition-friendly constituencies was to come from donors. That is marginalisation. We would like this to be corrected.

With those few remarks, I beg to support.

**Mr. Kajwang:** Mr. Speaker, Sir, I would like to thank Mr. Nyachae for a very independent and forceful thought.

*(Applause)*

**The Minister for Roads and Public Works (Mr. Nyachae):** It is very unusual of you!

*(Laughter)*

**Mr. Kajwang:** Mr. Speaker, Sir, Mr. Nyachae is complaining that I am supporting him. However, I am usually his friend.

Mr. Speaker, Sir, I want to say that what he said about prioritisation of development projects in this country is correct. I also want to say that his frustrations about imperialism - *ukoloni mambo leo* - is also true. It is only that to me he sounded a bit frustrated, although I thought he was in a position in which he can put policies to work, especially in the Cabinet.

Mr. Speaker, Sir, let me say the following. First of all, I want to remind myself of my job description. I have always understood my job description to be representation, legislation, which includes taxation and appropriation, which is what we are doing this afternoon. When we tax Kenyans, as we have proposed to do in the Finance Bill, we are expected to also appropriate that money properly, and hope that it will be used appropriately. That is the point from where I want to continue.

Mr. Speaker, Sir, when we appropriate money to certain projects in this country, you will find that the absorption capacity of Government departments is usually less than 60 per cent. Sometimes we wonder why the Government should ask for money which it presumably has planned for, put in the Budget, but then returns it to the Treasury after 12 months, because it has not used it. It has no capacity to use that money. You really wonder why you should even tax Kenyans, if you are not going to use the money eventually.

Mr. Speaker, Sir, I am talking of real issues. Let me start with my constituency. There is a causeway across the Mbita Channel, which was done by some engineers who had no idea of the environmental impact, when they blocked the flow of the lake. Because the current passage through the Mbita Channel was blocked and we created a causeway, the entire Gulf of Homa Bay, Kendu Bay and Kisumu is a cesspit, as we are speak now. The water is dirty and cannot even be consumed by livestock. In fact, I can tell you that my father, who keeps some livestock, told me that he has to treat the water before he gives it to the livestock. Otherwise, they will all die. The water is dirty because somebody blocked a channel which used to clean the Gulf of Homa Bay.

For three years running, we have put money in the Budget for design and construction of a bridge across the channel and the demolition of that causeway, so that we can revive the gulf which is dying. In fact, fish are not breeding in the gulf, because the water is too dirty even to sustain them. Year in, year out, money is returned to the Treasury, because the Permanent Secretary, or somebody in the Ministry of Roads and Public Works, has not found it fit to design the bridge, build it and demolish the causeway. We are destroying the lake by not doing that. We are also destroying the life of fish and livestock. We are not worried because we are not in a hurry to do anything good to this country's environment.

Mr. Temporary Deputy Speaker, Sir, another example is that we have been told in this House, for three years running, that there is money acquired from the African Development Bank (ADB) to construct a runway at the Kisumu Airport to improve it. This is borrowed money. First of all, by the time we went to borrow, we were sure of what we wanted to do with the money---

**Mr. Muriithi:** On a point of order, Mr. Speaker, Sir. We have deliberated on this matter sufficiently. We are now moving out of the Appropriation Bill. Is it in order for me to ask that the Mover be called upon to reply?

**Mr. Speaker:** Order, hon. Members! I think I will accede to the request. As hon. Members are aware, I had pointed out to the House that we were re-opening debate on principles which we have already debated. So, I will put the Question.

*(Question, that the Mover be now called upon to reply, put and agreed to)*

**The Minister for Finance** (Mr. Kimunya): Mr. Speaker, Sir, I wish to start by thanking the hon. Members for their contributions. I believe it has been healthy. This is a reminder of the principles on some of the issues that the hon. Members have raised and I will take this on board. I wish to just comment on a number of issues that have come up for purposes of throwing light on the debate during proceedings in the Committee Stage.

I wish to just reiterate that our economy has grown. That was brought up by the Shadow Minister for Finance. Contrary to the picture that may have been painted, in fact, we are seeing not just the economic growth, but very broad-based economic development. It is the sum total of all this development that is accumulating to 5.8 per cent and we should not really be waiting for the 5.8 per cent growth rate to trickle down. This is actually an accumulation of the growth that we have seen across the entire country.

Mr. Speaker, Sir, I take the point in terms of re-orientating priority to areas that will help our economy. This is something that we are doing. I had mentioned this in my moving note. Again, for the record and contrary to the impression that was created, inflation is currently at just under 13 per cent and not the 16 per cent that the hon. Member mentioned. This was on account of the high world oil prices, but we have now tamed the prices and we have seen pump oil prices come down by about Kshs5. We hope that with sustained pressure from the hon. Members, the civil society and the oil consumers, we can bring the prices down with its knock-on effect on the inflation.

With regard to the development of the Vision 2030, this is a Kenyan's project and not a Government's project. I wish to confirm to all the hon. Members that everyone will be involved. Indeed, on the day of the launch of the project, we had invited the hon. Members, but only a few chose to come. Next time we will make sure that we carry this baby together. It is our future and not for any Government or person. The vision is for all of us.

Mr. Speaker, Sir, I would also like to make a commitment, as a Government, to the implementation of the various reports coming from the various institutions, be they from the Public Accounts Committee (PAC), the Public Investments Committee (PIC) or the Kenya National Commission on Human Rights. We receive those reports. We may not agree with their methodologies, but we take note of all the good things that are contained therein. We will continue to implement them.

Just to comment on the Budget Law, because that came up, we are aiming to bring to this House an enrichment of some of the provisions contained within the Fiscal Management Bill. We recognise that, that Bill is before the House. If it comes before the House, we will still give our input into it. But we have looked beyond that Bill and there are still other issues that were being left out. I would like to have those issues addressed within this wider comprehensive Budget Law. I can only give our commitment to the House that, indeed, that will be coming sooner rather than later.

The participation that we envisage within the Budget process by Parliament, again, we want to enrich that, knowing that the Government prepares the Budget in terms of how it wants to deliver on the mandate given to it by the people when it is given the responsibility to govern. This House has the responsibility of then authorising that and appropriating those funds. We want to create that symbiotic relationship and enrich it, so that whatever will come out will be a Budget that has been negotiated and agreed upon between Parliament and the Government for the benefit of the people of Kenya.

Mr. Speaker, Sir, with regard to the youth affairs, we appropriated a Fund of Kshs1 billion, and I believe this House supports it. The modalities are now in place in terms of the regulations that are required to access this money. I believe that hon. Members will appreciate that this is the first time that such a Fund is being created. We have seen funds like that, for example, we had a Women Fund and a youth fund in the past which turned out to be political. They did not benefit the beneficiaries. This time round, we need to look at the Youth Fund as not necessarily a Government Fund. This is a Fund for all the youth in Kenya. I hope that even as we publish the regulations and start implementing the Fund, we will get a positive feedback from this House in terms of how we can enrich it, so that our youth can benefit by accessing this money and turning their lives into hope rather than despair.

Again, turning to one of the issues that were mentioned, a challenge was thrown to us to clarify the issue of corruption that is being talked about by some foreigners, either stationed here or elsewhere. If you look at the latest World Bank Reports on Kenya and the confidence that we have built to the extent of even unlocking some of the money that was tied up in Washington, you will find that everyone admits that Kenya has made tremendous progress in the fight against corruption. However, what is not coming out is the perception, which has still not been cleansed out, thanks mainly to the misinformation that is coming out through the Media, some of the hostile Non-Governmental Organisations (NGOs) and partly our own failure as leaders when we go out there and tell Kenyans that our economy is being fuelled by illicit money.

I believe that we have a responsibility, as leaders, to remember that this country is ours and whatever we do, we can either destroy or build it. If we chose to destroy it, we will not be destroying it for ourselves because here, we are highly paid and well remunerated, but our children who are not here will have a country where they cannot operate because we destroyed it for them. I hope that those people, especially the envoys who have been quoted, would be listening to the right people instead of reading the wrong newspapers. I do not know which newspapers they read. They should come for the facts which we give to them. I will be meeting them on 1st December, as a group, to give them more facts, so that people do not talk out of context, especially when organisations that we thought were reputable like Transparency International, say that Kshs85 billion has been misused.

The Appropriation that we are making in this House today is about Kshs340 billion. The alleged Kshs85 billion is 25 per cent of that amount. We should factor in the fact that so much money is going to be paid to teachers and Kshs102 billion goes to our education. If we now look at how much money will go to the rest of the Civil Service in terms of salaries and paying all the other things, you then ask yourself where is this Kshs85 billion that they are talking about which you have not seen in this House? You are not appropriating any of this money for it to have disappeared with TI. We need to look at who are these people who are making these alarmist statements, some of them just basically to create the impression that corruption is so high in Kenya and that donors need to give money to the civil society organisations to help in the fight against corruption. These are marketing tools that are being used but, unfortunately, as a House, we are being dragged into this; that, we are appropriation Kshs85 billion to be spent.

We need to speak together as leaders because it is our country that is under attack here. It is not just the Government. When people say that Kenya is corrupt, it is not the Kibaki Administration that is being labelled as being corrupt, but the 34 million Kenyans. As representatives of the 34 million Kenyans, we have a responsibility to defend our country and say that Kenyans can do better than what they are being labelled to be.

Mr. Speaker, Sir, I also wish to echo the sentiments by my colleague, the Minister for Roads and Public Works in terms of the externally sourced funds and the frustrations we have had. This is basically the reason why we are moving towards financial independence. I would really wish that this House joins hands with the Government in promoting measures that will bring in more revenue, so that when we bring tax measures to this House, it does not matter the small bits

and pieces that we want to tax and collect from the different sources. We should all support it because that way, we are going to achieve our financial independence and do all these projects without having to resort to people who give us conditionalities because of interests that are not in tandem with ours as a country. Hon. Members may recall the events a couple of weeks back when we lost some of the revenue we had projected. If

we can now start rethinking and working together, we would move this country forward.

Lastly, I just want to mention, for the benefit of Maj-Gen. Nkaisserry - I wish he was here to get the reply he sought on disaster - that as a Government, we have put measures in place. We have a Ministry dedicated to Special Programmes and a Disaster Management Centre which was created specifically to respond to such incidents, and it is doing very well. During the recent incident that occurred, when a building collapsed, we saw our people on the ground. They responded long before other people formed committees to work out on how to go out and assist. Our own people were there to respond and save Kenyans. In handling the disasters we are experiencing at the Coast, we have seen bridges coming up and the response we have received in terms of food. We have ensured that the suffering is minimised. In managing disasters, we have been using our own relief food. Early this year, we did not need to import food because we had enough and we appropriated the money through this House.

Finally, on the issue of vehicles that were withdrawn, I would like to report to this House that the progress has been very good. I am very encouraged by the results. In the process, we have managed not only to mop up excess vehicles that were operating against the law, but we have a very up-to-date inventory of every Government vehicle, wherever it is located in this country, and the condition it is in. We will be giving you an update on that in the next couple of weeks.

I believe with those few remarks, I have responded to as many issues as hon. Members needed clarification. I would like to ask that we pass this Bill so that we have the power to serve our people. I would also like to assure this House, once again, that the Kibaki Administration's second name is "value for money". We will continue to live by that, grow the economy and give Kenyans value for the taxes they pay because that is the only way this country will move forward.

With those few remarks, I beg to move.

**The Assistant Minister for Co-operative Development and Marketing** (Mr. Mwenje): On a point of order, Mr. Speaker, Sir. There are many mosquitoes in this Chamber. One has no shame and has bitten hon. Maathai and I. Could we have someone called to spray the Chamber?

**Mr. Speaker:** Order, Mr. Mwenje! I really do not think you missed something useful to do, to the extent that you had to talk about mosquitoes when you could have talked about that to the Clerk-at-the-Table or to myself. We, as a House, are not isolated from the rest of the country. I think that is what is happening to most Kenyans right now, being a rainy season. Fortunately, I saw the Assistant Minister for Health, Dr. Machage, here and I am sure he will assist us. However, let us not interrupt the business of the House by discussing trivial issues.

*(Question put and agreed to)*

### COMMUNICATION FROM THE CHAIR

#### DEFERMENT OF COMMITTEE STAGE OF MICROFINANCE BILL

As we move on to the next Order which is the Committee of the whole House, for the benefit of hon. Members who were not here at the beginning of this sitting, on a request from the Minister for Finance, I deferred Order No.10(ii), The Microfinance Bill, Bill No.24 to next week. So, when we move to Order No.10, we will only be dealing with the Appropriation Bill.



**COMMITTEE OF THE  
WHOLE HOUSE**

*(Order for Committee read)*

*[Mr. Speaker left the Chair]*

IN THE COMMITTEE

*[The Temporary Deputy Chairman  
(Mr. Ligale) took the Chair]*

THE APPROPRIATION BILL

*(Clause 2 agreed to)*

*Clause 3*

**Mr. Sungu:** Mr Temporary Deputy Chairman, Sir, I would like to appeal to the Minister for Roads and Public Works to note that roads in western Kenya are being repaired using murrum instead of tarmac. That is just like repairing a piece of cloth with a piece of paper.

*(Clause 3 agreed to)*

*(Schedule agreed to)*

*(Title agreed to)*

*(Clause 1 agreed to)*

**The Minister for Finance** (Mr. Kimunya): Mr. Temporary Deputy Chairman, Sir, I beg to move that the Committee doth report to the House its consideration of the Appropriation Bill, 2006, and its approval thereof without amendment.

*(Question proposed)*

*(Question put and agreed to)*

*(The House resumed)*

*[Mr. Speaker in the Chair]*

**REPORT AND THIRD READING**

THE APPROPRIATION BILL

**Mr. Ligale:** Mr. Speaker, Sir, I beg to report that the Committee of the whole House has considered the Appropriation Bill and approved the same without amendment.

**The Minister for Finance** (Mr. Kimunya): Mr. Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Report.

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula) seconded.

*(Question proposed)*

**Mr. Sungu:** Mr. Speaker, Sir, as we appropriate this vast amount of money, we would like to appeal to this Government to walk the talk. Let us not drink wine and preach water. There is a lot of corruption. We now know for certain that certain governments overseas would like to help this country recover some of the money that has been illegally taken from the people of this country. This Government has not done anything about it. I want to appeal to them that we want action in the recovery of this money. This should be done immediately.

**Mr. Speaker:** Mr. Mwenje, do not re-open debate!

**The Assistant Minister for Co-operative Development and Marketing** (Mr. Mwenje): Mr. Speaker, Sir, I am not re-opening any debate. It is mandatory that Ministries prepare and submit quarterly reports. I realise that there are a lot of Ministries which are not submitting these quarterly reports. I am appealing to the Minister to insist that these quarterly reports be sent to him, so that we are able to see the performance of these Ministries. Now that every Ministry has signed a performance bond, it is important for him to demand a performance report every quarter.

**Mr. Speaker:** Very well; we will begin with your Ministry!

*(Applause)*

*(Question put and agreed to)*

**The Minister for Finance** (Mr. Kimunya): Mr. Speaker, Sir, I beg to move that the Appropriation Bill be now read the Third Time.

**The Assistant Minister for Finance** (Mr. Kenneth) seconded.

*(Question proposed)*

*(Question put and agreed to)*

*(The Bill was accordingly read the  
Third Time and passed)*

## **BILL**

*Second Reading*

THE ENERGY BILL

*(The Assistant Minister for Energy  
on 16.11.2006)*

*(Resumption of Debate interrupted  
on 21.11.2006)*

**Mr. Speaker:** Who was on the Floor of the House yesterday when debate on this Motion was interrupted?

**Hon. Members:** Nobody!

**Mr. Speaker:** If there was no hon. Member on the Floor, I will recognise the hon. Member

for Sirisia Constituency.

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Thank you, Mr. Speaker, Sir. I want to contribute to the Energy Bill. This Bill is critical for the development of the energy sector in this country. We have heard hon. Members complain in this House about the run-away petroleum prices in the country. Many hon. Members have contributed to this Bill and urged the Government to regulate petroleum prices because of cartels and profiteers.

*[Mr. Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, in my view, I believe that we will be going the wrong route if we go back to the days of price controls. The country and wisely so, set up the National Oil Corporation of Kenya (NOCK). From the time the NOCK was set up, its mandate was to stabilise oil prices whenever they run amok. Its mandate was also to compete with the major oil companies and run oil business all over the country.

*(Loud consultations)*

**Prof. Olweny:** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**Mr. Sungu:** Prof. Olweny, what is it?

**Prof. Olweny:** Mr. Temporary Deputy Speaker, Sir, hon. Members on the Front Bench are consulting loudly yet Mr. Wetangula is making a contribution.

**The Temporary Deputy Speaker** (Mr. Sungu): Order, hon. Members! Please, consult in low tones. This is a very important Bill touching on very important matters.

Proceed, Mr. Wetangula!

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Thank you, Prof. Olweny.

Mr. Temporary Deputy Speaker, Sir, I was proposing that a way be found on how to strengthen the NOCK, make it competitive and make it to routinely and regularly respond to changing oil prices, so that it becomes a viable alternative to the profiteering multinationals that have got very little feelings about Kenyans. If we did that, it is better than going to the dark days of the Government fixing prices of consumer goods in a liberalised world. That will not be the right thing to do.

Mr. Temporary Deputy Speaker, Sir, the Departmental Committee on Energy, Communications and Public Works should rise to its expected duties and look at what NOCK does. They should challenge them to deal with the issues of petroleum prices. I listened to the Chairman of that Committee yesterday and he just glossed over issues. He did not go into any detail. One would have thought it was an informed debate on this very critical Bill. This is a terrible indictment on that Committee.

Mr. Temporary Deputy Speaker, Sir, I want to support the issue of the setting up of the Energy Regulatory Commission (ERC). However, I would like to suggest that the ERC, which will see the exit of the Electricity Regulatory Board (ERB) from the scene, under the Electric Power Act (EPA), be expanded so that we have a Director-General and two directors under the Director-General.

As a result of the magnitude of the sectors of electricity and oil, I think it is important that we have a Director-General of the Commission and two other directors; a director dealing with petroleum and a director dealing with electric energy, so that there can be sufficient attention. In fact, the current ERB does not have to be scrapped but to be restructured to be part of the umbrella under the Director-General of the Energy Regulatory Commission. The Commission should be, as

is expected of it, independent and have the capacity to run the affairs of the industry.

Mr. Temporary Deputy Speaker, Sir, the Bill also addresses the issue of rural electrification. I want to commend the Ministry for the fact that for the first time in the history of this country you can see that there is a co-ordinated and organised approach to rural electrification. Every single constituency has some programme on rural electrification going on. This is critical. All the bottlenecks that have been registered in terms of capacity and lack of sufficient contractors need to be addressed so that all the funds allocated to the Rural Electrification Programme are put to good use.

This is so because we are in the IT age. Every school in this country is expected within the very near future to have electricity or some forms of energy to enable students to access computers. Even where there is no electricity, one would expect that a proper formula is in place to provide solar energy which can also give access to our rural population. When you look at the percentages, we are told that only 16 per cent of the people of Kenya have access to electricity. Out of those, only five per cent in the rural areas have access to electricity. This percentage is too small. One would expect that after the power has been taken to market centres and schools, the next phase should be for the Ministry to go out of its way to allocate money to step down power in as many places as possible and access it to ordinary people. The people just want to access clean energy to run a little fridge in the house, a television and some light.

I would support the view by a Member who spoke yesterday that we need to have some preferential tariffs on electricity. The people in the rural areas whose needs are only simple lighting and running a fridge and a television should be given tariffs that are preferential. Tax the rich to help the poor. That is what many countries do. If you can charge people in our bracket double what you charge the ordinary people, it is affirmative action for the rural people who will also access modern living.

Equally, one of the benefits of rural electrification, especially to small markets and small towns is to help create an enabling environment to arrest rural-urban migration. If you have electricity in local markets, people can create jobs; *Jua Kali*, fabrication of steel doors, windows and so on. Furthermore, you find that we need to have, as a priority, rural electrification being targeted to youth polytechnics. We have a lot of youth polytechnics in this country that need to train our people in fabrications, welding and all manner of things, and they will be able to do so if they access electricity.

Mr. Temporary Deputy Speaker, Sir, something that I have not understood in this day and age is the fact the Kenya Power and Lighting Company Limited is now employing white people to manage the organisation. More than 40 years after Independence, I do not believe that we do not have sufficient capacity to run a utility like that. I understand there are some Canadians and some white men from somewhere who are running the company. I want to urge the Ministry to get rid of these white people. I do not know under what circumstances they came to run the company. We have enough capacity in this country who will earn less and do a better job. It is a laughable matter that we get persons who are ill-qualified but because of the advantage of skin colour, they have to come here and be deployed to run our utilities. I do not know under what circumstances these white people are here. But whatever the case, we do not need any foreigners to run our utilities.

*(Applause)*

If it is a World Bank requirement, a few minutes ago you heard what hon. Nyachae told us about the treatment we get from them. If you want a project from the World Bank, you have to do pre-feasibility, feasibility, evaluation, procurement--- By the time you get to the genesis of the project, three or four years later, they turn round and say you have no absorption capacity, you are inefficient, you have no man-power. It is all born out of their own inefficiency. I think it is time we made it very clear as a country and as a people that we do not mind having experts if they are truly

experts. But tell me, what is a white man from Canada coming to tell us about a pylon running from Eldoret to hon. Cheboi's constituency. Nothing! We have people who can do it. I think we need to address that.

Mr. Temporary Deputy Speaker, Sir, the whole world today is conscious of the fact that fossil fuels will soon run out. The whole world is conscious of the fact that renewable energy is the way to go. This country, being a tropical country, we need a programme, and it is highlighted in the Bill, to exploit solar energy and biomass. Unfortunately, we are a country that does not have sufficient hydro capacity. We need, however, to exploit the small mini-hydros that can be constructed on rivers Yala, Nzoia, Sondu-Miriu, Gucha, Sio and others.

Equally, if you have the chance of visiting Marsabit, you will see the wind capacity available there. I think we can also exploit wind energy which is clean and renewable. I am also a proponent of the idea that this country must take the next step towards exploiting nuclear energy, because it is cheap and clean. I support the peaceful use and exploitation of nuclear energy. You know very well that some countries want to make nuclear knowledge a preserve of a privileged club. I do not subscribe to that view. I would want to see that nuclear energy is exploited in this country to supplement what we have. You can imagine if today we had an investment of a steel rolling plant. We know that steel plants consume a lot of energy, say, up to 1,500 megawatts. The establishment of such a steel rolling plant will wipe out all the power that we have. We need to do proper forward planning so that we are able to cater for the expansion of our economy which is growing reasonably fast.

Mr. Temporary Deputy Speaker, Sir, geothermal power is another very readily available resource in this country. We have a capacity to produce up to 3,000 megawatts of power from geothermal. So far, we are exploiting less than 400 megawatts. We need to exploit the resource available between Lake Naivasha and Lake Baringo so that we are able to supplement our power needs.

I wanted to point out something in the Bill that had to do with requirements of the company secretary and commissioners. It is stipulated that somebody should have at least 15 years of experience as a lawyer. You know that in this country with seven years of experience as a lawyer, you can be appointed as a judge in the High Court. That is the yardstick. Secondly, if you are looking for people with 15 years of experience, then you are cutting away the youth and yet we have very young people who are gifted and talented with wonderful managerial skills. We need to reduce the qualifications required to just seven years of experience which also qualifies one to be a judge of the High Court in this country.

I would like to end my contribution by welcoming back hon. Murungi to the Ministry of Energy. I was happy to hear him say here yesterday that he is now born again and that he will shun politics of confrontation and controversy. He promised to concentrate only on lighting up the country. I believe that if he goes only that route, he will not make any enemies again. You know that hon. Murungi had made more enemies than anybody can envy both in this House and outside. Now that he is born again, I am happy that he is back to his former Ministry and I have no doubts that he will steer it to greater heights.

Mr. Temporary Deputy Speaker, Sir, I want to personally register my appreciation to the Ministry of Energy for the Rural Electrification Programme (REP) that they are carrying out in many parts of the country, including my constituency. I urge them to speed it up and allocate more funds to this programme so that we can have power in virtually all our schools.

We have been told of the availability of coal deposits in Kitui, Eastern Province. We need to speed up the exploitation of that energy resource so that we can harness it and have our economy growing.

The last thing I want to address is the losses that Kenya Power and Lighting (KPLC) suffers and their incapacity to collect revenue. In many jurisdictions today, utilities like KPLC are installing prepaid meters where consumers pay in advance. That way, it will be easier and cheaper

to run the utility and it will collect sufficient revenue needed to expand the grid to other areas of the country. It is high time we conformed with the changing times and installed prepaid metres to all electricity consumers in the country.

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

**Mr. Kipchumba:** Mr. Temporary Deputy Speaker, Sir, I stand to support this Bill.

There is confusion amongst some of our hon. Members because when the word "regulation" is mentioned they tend to think that it means "price control". The era of price control is draconian and history. We cannot, again, go back to the era of price control as a country. We need to move forward and encourage competition. If we really want to bring down prices, we should encourage competition at all times.

The best way to encourage competition is to ensure that entry requirements into the market are made as cheap as possible. That is the only way this country will access cheap energy. We can access cheap electricity, for example, by ensuring that there are very many competitors in the distribution and generation of electricity. I believe that, that is the only way. We can never, as a country, think that by controlling prices, then prices will come down. Indeed, if the Government undertook to control prices, very many oil companies will be smiling to the bank. This is because companies will be assured of a certain margin. Right now, there is no single company that is assured of a margin because none of them is sure of the competition that exists.

Mr. Temporary Deputy Speaker, Sir, I heard many hon. Members argue that prices in western Kenya are lower than prices in Mombasa. The reason for this is basic. It is because if you go to western Kenya, the Kenya Pipeline Company (KPC) has installed facilities for loading of petroleum. If those facilities were to be installed all over, including Mombasa and Nairobi, very many marketers would access petroleum at very low prices. It is true that the pump prices would then be low.

I have seen the proposal by the Minister that the strategic reserves of the KPC will be funded by the Government. If that will be done then the entry requirements in the petroleum market will be very cheap. As it is now, for you to benefit from the pipeline service, you must put in a line fee of up to Kshs70 million. This is a very high figure that very few companies will be able to afford.

I have not seen in this Bill the role of Kenya Bureau of Standards (KEBS). I thought that we pay KEBS so that they can ensure that proper standards are maintained. Some of the products that are sold in this country, if you travel all over the world, should not be in the market. Those are some of the issues that we must take KEBS head on. In the first place, it was established to ensure that proper standards are maintained. We have products with very high sulphur and lead content being sold in this country. Those products must never be sold in this country.

Mr. Temporary Deputy Speaker, Sir, we must establish the Fuel Levy Fund. As much as Kenyans contribute towards this fund through the use of petroleum, that money is never used for the purpose it was intended. I would like the Minister to consider using money from the Fuel Levy Fund for exploration purposes only. For us to discover petroleum, which is a very expensive venture, we must ensure that there are continuous funds through the Fuel Levy Fund. Such money should not be used for anything else apart from exploration services.

Many at times, I have heard the Minister for Finance and others talk about the private sector playing a critical role in this country. However, the private sector must be allowed to participate in the establishment of storage facilities. The biggest problem that we have in the petroleum industry is the unavailability of adequate storage space in Mombasa.

Mr. Temporary Deputy Speaker, Sir, very many companies incur demurrage costs in Mombasa as a result of shortage of storage and discharge facilities. We cannot, as a country, have only one discharge facility in Mombasa. What happens if it breaks down? It means, that as a country, we can never receive petroleum. So, the Government must think very seriously of establishing a second discharge facility in Mombasa so that in case one breaks down, the other one

can be made use of. In fact, the reason why petroleum prices are high is because demurrage costs which are incurred by companies are passed on to the consumers. We must rethink as country as to whether we should continue to use only one facility since Independence. I think it is time that the Government sets aside some amount of money so that, maybe, crude oil can be discharged from a different facility and white products can be discharged from a different facility so that we can save a lot of money on demurrage costs.

Mr. Temporary Deputy Speaker, Sir, many hon. Members have talked of liberalisation of the oil industry. People do not understand that the petroleum sector is only partially liberalised. It is not completely liberalised. We do not want to go back to that era when there were shortages. I have looked at the Bill and in the establishment of the Commission, that the Minister in his own wisdom, has said that there should be some Permanent Secretaries for Finance and Energy and the Director-General. Then he says: "The Minister will appoint five other Commissioners". Why can we not be very specific? Why would we want to give a leeway that there will only be five other Commissioners? From where? Where are the representatives of the energy sector? I would want to believe that this Commission is supposed to serve both the consumer and the investor and, therefore, we can never have a Commission that is only going to serve one sector.

Therefore, I would want to suggest that we must have representatives of the energy sector because the energy sector also has its own other bodies. The oil industry has the Petroleum Institute of East Africa (PIEA). Why can we not consider having a representative from the PIEA being picked from amongst themselves so that their interests can be taken care of?

Secondly, there are no representatives of the consumers. We must also decide that there must be representatives of consumers so that the issue of consumers can be dealt with adequately by this Commission. We should not have Government officials being in the Commission. I mean that will defeat the purpose for which we are establishing this independent Commission. If indeed most of the members of the Commission are Government representatives, then we lose the purpose for which we are establishing this Commission.

Mr. Temporary Deputy Speaker, Sir, I have seen the requirements that many of these officers will require 15 years experience. I want to agree with many of my colleagues that 15 years is a very long time and that requirement must be reduced. I have said in this House many at times that indeed the Controller and Auditor-General is the only person mandated by the Act to appoint auditors. It can never be a board of any commission or a board of a parastatal that has power to appoint an auditor. The Controller and Auditor-General will appoint auditors if indeed they themselves cannot carry out the audit. That was passed by this House but every Bill that comes to this House has the same mistake which we correct every time, that the board will appoint the auditors. Where did the board get the power to appoint auditors? Therefore, that is something that the Minister must re-look into so that he does not bring to us issues that do not make sense.

Mr. Temporary Deputy Speaker, Sir, Clause No.23 says:

"The Commission may appoint committees or agents as may be necessary or expedient for the better carrying out of the objects and purpose of the Act."

That indeed the Commission will wake up one day and appoint agents or committees for the carrying out of certain activities without following the Public Procurement and Disposal Act which was passed by this House. We must never give the Commission power to wake up one day and decide to appoint agents and committees as they deem fit. We must always follow the law and, therefore, I do not subscribe to the idea that we give power to the Commission to just decide who they should appoint to be agents because then we will be perpetuating a situation where the Commission can, in their own wisdom, appoint their own relatives, incompetent agents and committees. Therefore, I want to suggest that during the Committee Stage, that must be removed so that they follow the Act that we have passed in this House because we can never as a House be passing rules and laws that we cannot follow as a House.

Mr. Temporary Deputy Speaker, Sir, on the issue of rural electrification, I would want that

indeed the Government uses the expertise that exists already in the Ministry of Energy. The Ministry of Energy has very competent officers in the Rural Electrification Department. Many of these Members of Parliament will easily point out that there are competent officers in that Ministry so that the first place that we should "fish" out for expertise would be the Ministry of Energy. Creating commissions is very expensive. If it were not that we want an independent Commission, I would have said that it be run by a department of the Ministry of Energy because they have done it so well and there is no reason why they cannot do it even better.

Mr. Temporary Deputy Speaker, Sir, I want to say that it must be provided in law that KenGen and any other generating company must do four things. One, they must be able to protect their environment. Secondly, they must re-plough back some of the resources that they get to the communities from where they undertake their activities because we have seen in the generation of hydro-energy, many of the people who live in those areas do not benefit from the existence of these companies. We must encourage social responsibility. Wherever any generation company exists, they must be able to plough a certain percentage of their profit to the benefit of the communities from where they operate because we look at it this way, that, if it were not for these communities, the water that these companies will be enjoying and using to generate energy would not be there in the first place.

Therefore, I want to suggest strongly that indeed we must put into this law, that any of these companies must take up social responsibility because when we opened the energy sector, many of the companies that come to generate power in this country are foreign companies and if we do not put laws in the first place, they will exploit our natural resource. Water is a natural resource. Geothermal energy is a natural resource which exists in this country and it must never be enjoyed by any company to the exclusion of the Kenyans themselves.

Mr. Temporary Deputy Speaker, Sir, I want to agree with what hon. Wetangula said that indeed we must have an Assistant Director-General. He suggested two but I want to add three; that there must be an additional one for renewable energy. We must have somebody because that is a department that has been overlooked for a very long time. Although we vote a lot of money for the development of renewable energy resources, I have never seen any such resources developed. I do not know whether that money is returned to the Treasury at the end of every financial year, or it is used for the purposes for which it is voted.

Mr. Temporary Deputy Speaker, Sir, I want to conclude by saying that I feel very strongly that the barriers to entry in the electrical and renewable energy sub-sectors, as well as into the oil industry, must be removed. The licensing must be taken over by the Government immediately, so that the entry requirements are made as simple as possible. Indeed, the loading facilities, as they exist in Western Kenya, must also exist elsewhere.

Proper standards must be maintained by the Kenya Bureau of Standards at all times. We should never have the lorries that cause accidents and spill fuel on our roads. Substandard petrol stations and other facilities must never exist. If the Kenya Bureau of Standards cannot do its job, Kenyans must be able to take the company concerned to court, and it must be able to pay for the consequences. We cannot continue having lorries that spill petroleum products everywhere, causing accidents and killing Kenyans. That must stop. I am happy that this has been provided for in the Bill.

Mr. Temporary Deputy Speaker, Sir, I have seen a provision which says that any public officer who causes the destruction of public purse will be taken to court. That is a very welcome punitive measure. Such public officers must not only pay but they must also be imprisoned.

With those few remarks, I beg to support.

**Mr. Bifwoli:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Would I be in order to move that the Mover be now called upon to reply?

**The Temporary Deputy Speaker (Mr. Sungu):** Very well. I will accede to that request.



*(Question, that the Mover be now called upon to reply, put and agreed to)*

**The Assistant Minister for Energy** (Mr. Kiunjuri): Mr. Temporary Deputy Speaker, Sir, before I respond, I would like to donate three minutes to Prof. Olweny and two minutes to Mr. Ahenda.

**The Temporary Deputy Speaker** (Mr. Sungu): Mr. Assistant Minister, this is your chance to reply to comments made by hon. Members as they contributed to this Bill. It is against procedures of this House. Anyway, I will have a soft spot for you at this occasion, but you should not repeat it. You are a senior hon. Member of this House.

Prof. Olweny, you have two minutes!

**Prof. Olweny:** Mr. Temporary Deputy Speaker, Sir, I would like to thank the Assistant Minister for donating to me three minutes of his time. I wish I had enough time. Nevertheless, I will make just a few points.

Mr. Temporary Deputy Speaker, Sir, the first point I would like to make is that the energy sector in this country is not adequately diversified. We have the potential for diversification, as indicated by the hon. Members who spoke earlier. For example, there is a lot of potential for solar energy. Government offices could use solar energy for lighting. Let the Government start with solar energy and have public schools, offices and hospitals use it for their energy needs.

Mr. Temporary Deputy Speaker, Sir, another point that has been made, which I also wish to underscore, is that some energy could be obtained from the sugar industry. There is a lot of potential in our sugar mills in terms of co-generation. We can produce a lot of electricity through co-generation in our sugar factories. We have a lot of bagasse. Molasses, which is also obtained from the sugar industry, is now being processed into alcohol in Muhoroni and Kisumu. This has a lot of potential for use in propelling our vehicles; if only the alcohol produced can be blended with petrol to make gasohol.

We used to use gasohol in this country. I do not know why it was stopped. Probably, its production was sabotaged by the multinational companies dealing in petroleum products. So, it is my request and intention to introduce an amendment to Clause 103 to take care of this aspect, because it is not clearly indicated in the Bill whether we intend to give room for use of gasohol and co-generation.

Mr. Temporary Deputy Speaker, Sir, lastly, we could lower the cost of electricity in this country by lowering the cost of equipment. Solar equipment is still too expensive. Transformers, cables and poles are unnecessarily expensive. These are some of the things that are making--

**The Temporary Deputy Speaker** (Mr. Sungu): Order, Prof. Olweny! Your time is up!

**Prof. Olweny:** Mr. Temporary Deputy Speaker, Sir, I beg to support.

**Mr. Ahenda:** Mr. Temporary Deputy Speaker, Sir, I thank you, Mr. Assistant Minister, for being mindful of other peoples's welfare by donating part of your time to us, to the chagrin of the Chair.

Mr. Temporary Deputy Speaker, Sir, I have only a few points to make. First, I will speak on the independent power producers at Kipevu and Embakasi, who are charging much more than they can sell to us. Could the Government look at the contracts it has entered into with those companies and see what can be done about them? I need not over-emphasise that Kenya is more than due for a nuclear power plant. The KenGen should buy power from the Democratic Republic of Congo and sell it back to us. It could be much cheaper.

I am surprised that sugar-producing areas like Mumias had a lot of problems selling electricity to the national grid. I am happy that this Bill will now assist us do just that. I would like the Minister to help the sugar factories that produce electricity, to sell it to the national grid. Let us have some mechanism that can break up the oil cartels being managed by the multinational companies controlling the energy sector.

Mr. Temporary Deputy Speaker, Sir, let us have all secondary schools in the country lit. Electricity is an essential commodity. The Kenya Power and Lighting Company should not think of reaping profits immediately from the Rural Electrification Programme. The Government should ensure that all public schools have electricity. Doing so will improve the standards of education in the country as our schools will access the internet. We were cheated here recently that Kenya has some oil. What is happening? Can we put some money into oil exploration and have our own oil? We have been told that Kenya has got oil. In fact, the Rift Valley traverses Kenya. All the oil that countries in the Middle East have come from the Rift Valley. We have oil in this country. Can we hear something about it?

Mr. Temporary Deputy Speaker, Sir, oil adulteration is a big problem in Kenya. Could the Government deal with the culprits? Oil is being adulterated in Nairobi's Industrial Area. Once in a while, we are told that the practice has been stopped. The next day, the culprits start the practice again. Could it be stopped once and for all? Adulterated oil is "killing" our cars' engines.

Coal is abundant in Kenya. I am glad that Mr. Wetangula mentioned it. I would like to oppose an hon. Member, who yesterday said that we should continue burning charcoal. Charcoal burning is depleting our forests. Therefore, it should be banned. The coal deposits that have been found should be exploited. I was told that there is a white man who has been brought into Kenya to earn a salary of Kshs7 million a month. Why? I am told that the said white man was in the same university with some local engineers, and that he was the most stupid in their class. So, could this person be told to go back to his country?

**The Temporary Deputy Speaker** (Mr. Sungu): Order, Mr. Ahenda! Your time is up!

**The Assistant Minister for Energy** (Mr. Kiunjuri): Mr. Temporary Deputy Speaker, Sir, first, I would like to congratulate all the 17 hon. Members who contributed to this Bill, as well as urge those hon. Members who did not have a chance to contribute to do so. I would like to assure them that their concerns will be considered. We will ask hon. Members, before the Bill goes to the Committee Stage, to bring amendments they want included, which we will compare with what is in the Bill, so that we can have a law that cannot be challenged, and which will be for the good of Kenya.

Mr. Temporary Deputy Speaker, Sir, I am happy to note that all hon. Members appreciate the fact that there is no development which can take place in any country without being propelled by the energy sector. At the same time, we all appreciate that this is the only engine that can get the country moving. We really need this sector for the economic development of this country. I am happy to note that all of you would like this sector to be strengthened.

Mr. Temporary Deputy Speaker, Sir, there is an issue which was raised and I would like to go through it quickly. For example, the issue of tariffs by KPLC and KenGen, I would like to assure hon. Members that the Ministry of Energy will not allow anybody to tamper with the current tariffs. We cannot afford to raise the tariffs at this particular time. We know already that we can work out a formula and sustain what we have today. The two companies belong to the Government, and it is the majority shareholder in both of them. Even if some people are arguing that 52 per cent of the KPLC is owned by the private sector, what should also be taken into consideration is the Government input in the same company. Therefore, we are not going to allow KenGen to be paid more than they are getting today. So, the issue of giving them more than 60 cents does not arise.

Secondly, Mr. Temporary Deputy Speaker, Sir, on the issue of supporting the institutions and other facilities around the generation plants and also where the KPLC is operating, we shall continue to help the institutions that are around us, for example, schools, roads and other facilities. We shall make sure that we shall be friendly to the communities so that we can co-exist with them well.

Mr. Temporary Deputy Speaker, Sir, on the issue of private sector participation, in accordance with the Sessional Paper No.4 and in line with the Energy Bill that we are bringing in,

we will make sure that we enhance the private sector participation, both in generation, transmission and distribution. We shall make sure that those who are interested to venture in the field will be allowed and fair competition will be encouraged. Also, the KPLC will be ready to purchase any excess power that you will be able to produce. So, that one will be a thing of the past.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, there was also concern whether we have the capacity required for this country and, I believe, those who raised this issue knew that the reason why we are getting short of the capacity is because the economy is performing. To address this question, we already have the Jinja-Tororo-Lessos power interconnector, which will provide us with 333kv. We also have the Arusha-Kenya interconnector which will also provide us with another 220 kv. On the same line, we have a 600 kilometre line coming from Ethiopia to the border of Kenya, and we are also going to connect on our side 1,200 kilometres to enable us get an extra 400 kv. This line will be very important to us because it will open the whole of North Eastern Province and the upper eastern part of this country. This will also be in line with affirmative action. Also, to make sure that affirmative action takes place, we have already connected 24 secondary and primary boarding schools in North Eastern Province through solar energy. We already have 12 projects that are on-going. We have also tendered for 24 projects this month.

Mr. Temporary Deputy Speaker, Sir, on the issue of our capacity to connect more people, I would like hon. Members to appreciate the good work this Government is doing. Those who are doubting that the economy is growing should come and take our statistics. For example, in 2003, this country was only spending 760 megawatts of power. But today, we are consuming 975 megawatts. That is a fact that we cannot deny. This is an achievement that you cannot invalidate, and it shows that the economy of this country is doing very well. We are also endangered because we already have 170,000 customers waiting to be connected. We have less than 15 per cent that we can use today. This means that after connecting the 170,000 customers, we must get to know where we shall get power from to supply them.

Mr. Temporary Deputy Speaker, Sir, in the year 2003, the Government was only connecting less than 30,000 customers per year. But last year alone, we were able to connect 67,000 new customers. Half of this financial year, we have already connected 60,000 customers. We are approximating that by the end of June, next year, we shall meet our target of connecting 150,000 customers.

Mr. Temporary Deputy Speaker, Sir, today, we have 150 constituencies being connected with power. In each of these constituencies, a contractor is already on site and work is going on. This was not happening in the past. These are the achievements that Kenyans should be looking for. I am challenging hon. Members to come to our offices to see the way we have distributed power to constituencies. We are covering almost every part of the country. There is no longer discrimination. The national interests should come first and not politics.

Regarding the petroleum sector, it is the concern of all hon. Members that we fight the cartel-like operations of the multinationals. To do this, we need to strengthen the NOCK. I also appeal to independent African proprietors to team up with the NOCK in the open tender system. This will ensure that we have enough independent outlets in the country. You will find a multinational company selling petroleum at Kshs81 per litre in Nairobi, while it sells the same in Western Kenya at Kshs76 per litre. I wonder whether there were any factored costs of the petroleum reaching Western Kenya, to warrant that selling price. These are the issues that we, as a nation, should discuss together. We should put our differences apart for the benefit of the common *mwananchi*.

Mr. Temporary Deputy Speaker, Sir, our doors are open in the Ministry of Energy. We

shall bring the appropriate amendments when the right time comes.  
With those few remarks, I beg to move.

*(Question put and agreed to)*

*(The Bill was read a Second Time  
and committed to a Committee of  
the whole House tomorrow)*

### **ADJOURNMENT**

**The Temporary Deputy Speaker** (Mr. Sungu): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Thursday, 23rd November, 2006, at 2.30 p.m.

The House rose at 6.30 p.m.