

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

**Tuesday, 24th April, 2007**

The House met at 2.30 p.m.

*[Mr. Deputy Speaker in the Chair]*

### PRAYERS

### CONSIDERED RULING

#### DISK CONTAINING PURPORTED INTERVIEW BETWEEN ARTUR MARGARYAN AND KTN JOURNALIST INADMISSIBLE

**Mr. Deputy Speaker:** Hon. Members, you will recall that on Thursday the 19th of April, 2007, the Member for Ndhiwa, Mr. Ojode, laid on the Table of the House a compact disk on purported telephone interview between Messrs. Artur Margaryan and Emmanuel Tallam of the Kenya Television Network.

Hon. Members, I have had an opportunity to examine the CD transcribed by the HANSARD Department of the National Assembly and I must state from the outset that the voice is inaudible and I will, therefore, restrict my ruling to the transcript. The purported telephone interview between the said persons can only be authenticated by the television station that conducted the interview. Neither does this House have the means to verify the interview in the absence of a sworn affidavit from the two persons nor the technology to certify the voice recorded in the compact disk.

May I also say that the language used in the interview as recorded in the CD is not only unparliamentary but unprintable. This House has no means of identifying whose voices are on that CD.

Hon. Members, the privileges accorded to this House by the National Assembly Powers and Privileges Act, Cap.6, Laws of Kenya, are founded on the principles of natural justice and orderly conduct of business. In my view, therefore, audio-visual substantiation must be subjected to a higher criteria of scrutiny to justify its admissibility both in material and the transcript form.

Hon. Members, I have a cardinal duty to maintain the integrity of this House by applying the rules without fear or favour. I therefore, rule that the disk containing the purported telephone interview between Mr. Artur Margaryan and Mr. Emmanuel Tallam of KTN is inadmissible. I, thereby, order that the disk be returned to Mr. Joshua Ojode.

Hon. Members, as you are all aware, a Joint Parliamentary Committee is still conducting investigations into this saga. I, therefore, from the Chair, urge the Committee to expedite its proceedings and submit the report and findings so that this matter of Artur Margaryan is conclusively dealt with by the House. This way, we shall be conducting the business of the House in an orderly manner worthy of the dignity and honour of this House.

Thank you.

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

**Mr. Deputy Speaker:** Order! I have already informed this House many times, in the past, that when the Chair rules on a matter, there is no point of order.

**COMMUNICATION FROM THE CHAIR**VISITING UNITED KINGDOM MEMBERS OF  
PARLIAMENT IN SPEAKER'S ROW

Hon. Members, I wish to introduce to you and welcome this afternoon to this House, Members of Parliament visiting from the United Kingdom who are seated in the Speaker's Row. They are the right hon. Lord David Steel, MP from the House of Lords and hon. Roberta Blackman-Woods, MP from the House of Commons. Lord David Steel is no stranger to this country.

On behalf of this House, and my own behalf, I would like to wish our visiting friends a happy stay in Kenya. Thank you.

Next Order!

**PAPERS LAID**

The following Papers were laid on the Table:-

The Report of the Departmental Committee on the Administration of Justice and Legal Affairs, on the Political Parties Bill, 2007.

*(By Ms. Ndung'u)*

The Annual Report and Accounts of Kenyatta University for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the  
Minister for Education)*

The Annual Report and Accounts of the Kenya Pipeline Company Limited for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the  
Minister for Energy)*

Annual Report and Accounts of Capital Markets Authority for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and Accounts of the Commissioner of Insurance for the year ended 30th June, 2005, and the certificate thereon by the Controller and Auditor-General.

Annual Report and Accounts of the Kenya Investments Authority for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the*

*Minister for Finance)*

Annual Report and Accounts of Moi Referral and Teaching Hospital for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

Annual Report and Accounts of the Kenya Medical Supplies Agency for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the  
Minister for Health)*

Annual Report and Accounts of the Kenya National Library Services Board for the year ended 30th June, 2005, and the certificate thereon, by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the  
Minister for Gender, Sports,  
Culture and Social Services)*

Annual Report and Accounts of the Kenya Tourist Board for the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the  
Minister for Tourism and Wildlife)*

Annual Report and Accounts of the National Social Security Fund for the year ended 30th June, 2003, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the Minister  
for Labour and Human Resource Development)*

Annual Report and Accounts of the Kenya Airports Authority for the year ended 30th June, 2005, and the certificate thereon by the Controller and Auditor-General.

Annual Report and Accounts of the Kenya Ports Authority for the year ended 30th June, 2005, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the  
Minister for Transport)*

Annual Report and Accounts of the National Council of Science and Technology for the year ended 30th June, 2005, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the  
Minister for Science and Technology)*

Annual Report and Accounts of the Industrial and Commercial Development Corporation of the year ended 30th June, 2006, and the certificate thereon by the Controller and Auditor-General.

*(By the Assistant Minister for Health  
(Dr. Machage) on behalf of the  
Minister for Trade and Industry)*

### QUESTIONS BY PRIVATE NOTICE

*(Loud consultations)*

**Mr. Lesrima:** Mr. Deputy Speaker, Sir, I cannot hear myself!

**Mr. Deputy Speaker:** Order, hon. Members! Mr. Muriungi and company on my right, could you consult quietly?

#### REVIVAL OF AGRICULTURE ACTIVITIES IN SECURITY AFFECTED AREAS

**Mr. Lesrima:** Mr. Deputy Speaker, Sir, I beg to ask the Minister for Agriculture the following Question by Private Notice.

(a) Is the Minister aware that due to the conflict that engulfed the areas around Losuk and Poro in 2006, farmers did not plant crops?

(b) What plans does the Government have to revive agricultural activities in the security affected areas in Samburu?

(c) Why are the people of Losuk and Poro not covered in the famine relief programme?

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

(a) I am aware that due to the conflict that engulfed Losuk and Poro Locations in 2006, some farmers did not plant crops.

(b) The Government has put the following plans in place to revive agricultural activities in the security affected areas.

(i) Through ADC, Mutara, the Government will send two tractors to offer ploughing and planting services at subsidised rates.

(ii) Implement the NALEP project that will emphasise on overall empowerment of farmers for sustainable crops.

(iii) Improve delivery of extension services to the farmers.

(iv) Continue bulking of suitable crops such as Soya beans.

(c) Poro and Losuk are high potential areas of Samburu District which have been producing enough food for consumption and for sale and, therefore, did not require famine relief before 2006. However, the areas are currently receiving relief food.

**Mr. Lesrima:** Mr. Deputy Speaker, Sir, I would like to ask the Assistant Minister when this promise will be fulfilled. When will the few tractors and planting equipment arrive because the rainy season has already begun.

**Mr. Kaindi:** Mr. Deputy Speaker, we will ask ADC to expedite the process because the rains have already started.

**Mr. Lesrima:** Mr. Deputy Speaker, Sir, the Assistant Minister has talked of NALEP

Project. How much funds have been allocated to Samburu under NALEP Project?

**Mr. Kaindi:** Mr. Deputy Speaker, Sir, we have a number of projects but, during this financial year, starting July, 2007, we are targeting, Kirisia, Lokorio, Baragio Wamba, Poro, Suguta, Elbeta and Wamba with Kshs1.8 million.

**Mr. Deputy Speaker:** Next Question by Private Notice by Mr. Khamisi!

BEATING UP OF 11-YEAR-OLD KENYAN BOY  
BY GERMAN NATIONAL

**Mr. Khamisi:** Mr. Deputy Speaker, Sir, I beg to ask the Minister of State for Immigration and Registration of Persons the following Question by Private Notice.

(a) Is the Minister aware that on 18th November, 2006, a German national, Mr. Jochen Michael Rink, beat up an 11-year-old Kenyan child without any justification?

(b) Is he also aware that the German was fined Kshs60,000 or nine months imprisonment when he appeared before the Kilifi Resident Magistrate on 5th April, 2007?

(c) In view of the seriousness of the matter and the racial tension the incident has created in the area, could the Minister consider deporting the foreigner with immediate effect?

**The Minister of State for Immigration and Registration of Persons (Mr. Konchella):** Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that Mr. Jochen Michael Rinck, holder of German Passport No.311509914, was charged under Section 5(1) of the Penal Code with the offence of assaulting and causing actual bodily harm on one, Master Muchina Kimani, aged around 11 years at Mtwapa within Kilifi District on the 18th of November, 2006.

(b) I am aware that he was found guilty of the offence which carries a maximum term of five years with or without corporal punishment. He was fined Kshs60,000 in default or nine months imprisonment.

(c) My Ministry is reviewing Mr. Jochen's entry permit with a view to taking appropriate action.

**Mr. Khamisi:** Mr. Deputy Speaker, Sir, I thank the Minister for that answer. I have also had discussions with him and I am satisfied with the action that the Government plans to take against this individual.

**Mr. Deputy Speaker:** Very well. I also want to thank the Minister for taking the matter seriously because this Question was actually deferred to allow him to do some research on it.

I want to thank you for giving this matter due attention.

**ORAL ANSWERS TO QUESTIONS**

*Question No.088*

DELAYS IN ISSUANCE OF  
LAND RENT DEMAND NOTES

**Mr. Korir** asked the Minister for Lands what action he is taking to ensure that plot owners in the country receive their land rent demand notes in time to avoid punitive penalties.

**The Assistant Minister for Lands (Mr. Kamama):** Mr. Deputy Speaker, Sir, I beg to reply.

The Ministry is in the process of computerising all land rent records to facilitate

timely issuance of land rent demand notices.

**Mr. Korir:** Mr. Deputy Speaker, Sir, could the Assistant Minister tell us when this computerisation process will be completed?

**Mr. Kamama:** Mr. Deputy Speaker, Sir, the Ministry started computerising land rent records in July 2005. It has also developed a computerised system of capturing land rent payments and accessing land rent balances. We expect this programme to be completed by the end of this financial year.

**Capt. Nakitare:** Mr. Deputy Speaker, Sir, whereas the Assistant Minister has plans to computerise taxation on land, there is an issue on land under leasehold and freehold. Much of the land in this country which was under leasehold is being occupied by the peasant farmers after being demarcated into small plots. Will the owners of those plots pay land rents? What plans does the Ministry have for Kenyans who live on small holdings? What plans does he have to convert leasehold land titles into freehold ones?

**Mr. Kamama:** Mr. Deputy Speaker, Sir, I did not understand the question, but I just want to say that there is a policy on land rent and land rates. If the hon. Member wants to know the details of this policy, I want to welcome him to my office, so that can I give him a comprehensive brief on what we charge and what we do not charge.

**Mr. Maore:** Mr. Deputy Speaker, Sir, if you look at the Question, it is actually in the interest of the Government or the Assistant Minister to have these demand notes on time. Now, when they are in the process of computerisation, the people get them delayed or very many months accumulate without even ever being captured in their records. Could he waive the interests on the delayed demand notes by the Ministry, not by the payers?

**Mr. Kamama:** Mr. Deputy Speaker, Sir, as a policy, we just do not decide one day to actually waive interest. The policy stands that people have to pay these rates. However, under special circumstances, we can consider where we feel the owners have been inconvenienced by the Ministry.

**Mr. Korir:** Mr. Deputy Speaker, Sir, currently, these land demand notices are centralised. They are issued at the Ministry's headquarters. What plans does the Assistant Minister have to decentralise them, so that they are issued at the regional level?

**Mr. Kamama:** Mr. Deputy Speaker, Sir, we, as a Ministry, are actually planning to decentralise up to the district level. However, I am sorry that for the new districts, it will still take some time.

**Mr. Deputy Speaker:** Next Question by Mr. C. Kilonzo!

*Question No.121*

PENSION DUES FOR MR. KIVUTHU UVATHA

**Mr. C. Kilonzo** asked the Minister of State For Defence the following Question:-

(a) whether he is aware that Mr. Kivuthu Kyule Uvatha, Force/Pension No.DPN/P 13829, ID No.3549915, who retired from the Kings African Rifles in 1954, on medical grounds, has not been paid pension from 1998 to date;

(b) whether he is further aware that the said Mr. Uvatha, who is 79 years old, is now stressed as a result; and,

(c) what he is doing to ensure that Mr. Uvatha receives his pension which is in arrears of over seven years.

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

(a) I am aware that Mr. Kivuthu Kyule Uvatha was retired on medical grounds. I am also aware that his pension, known as Cost of Living Allowance, was processed and made payable through the Office of the District Commissioner, Machakos.

(b) I am not aware.

(c) In 2001, Mr. Uvatha's pension was returned unclaimed to the Department of Pensions, Ministry of Finance, because he could not be traced. If Mr. Uvatha has resurfaced, his pension is still available. He should fill pay point forms at the Pensions Department for the resumption of payment of his pension benefits.

*(Loud consultations)*

**Mr. Deputy Speaker:** Order, Mr. Ndile! Consult in low tones!

**Mr. C. Kilonzo:** Mr. Deputy Speaker, Sir, in part "b" of my Question, I asked whether the Assistant Minister knows that due to Mr. Uvatha not getting his money, suffered stress as a result although the Assistant Minister says he is not aware. Mr. Uvatha has since passed away. I have been trying to chase for this payment for the last three years, but his file cannot be traced. Why are there difficulties with people collecting pensions from the Ministry? Is it because the Ministry is not computerised?

**Mr. Deputy Speaker:** Mr. C. Kilonzo, just before the Assistant Minister answers your question, the Chair is at a loss. Part "b" of your Question states that "Mr. Uvatha is 79 years and stressed as a result". Now you have just said that he is deceased. When did this happen? Is it after you asked your Question?

**Mr. C. Kilonzo:** Mr. Deputy Speaker, Sir, it happened about two weeks ago after I asked my Question.

**Mr. Deputy Speaker:** So, the stress was actually very serious?

**Mr. C. Kilonzo:** Yes, Mr. Deputy Speaker, Sir.

**Mr. Tarus:** Mr. Deputy Speaker, Sir it is sad that Mr. Uvatha has passed away. However, the Department of Pensions is ready to process the pension or the dues due to Mr. Uvatha as per the regulations that govern succession. So, I am of the opinion that, although I have answered this Question, maybe the hon. Member will have to inform the family that they have to commence the normal process of succession to be able to know the beneficiaries of these benefits.

**Mr. Mirugi:** Mr. Deputy Speaker, Sir, it has taken the Government more than eight years to process pension for this officer. What is the Ministry doing to streamline the process so that officers can get their pensions before they pass away due to old age?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, we only need to computerise all the records of the pensioners and ensure that when officers retire, their pensions are paid promptly.

**Mr. Deputy Speaker:** Mr. Tarus, do you not get tired of answering similar Questions in the same manner? We have been told about computerization of the Pensions Department for a long time. This gentleman lastly received his pension in 1998 and we are in 2007. What is your explanation for that period?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, it is not the Pensions Department that has a problem. Pension dues for Mr. Kyule Uvatha were sent to Machakos and they went uncollected. After some time, the dues were returned to the Director of Pensions.

We are obliged to inform the House and the hon. Member that if the pensioner is available, he will be required to fill the necessary forms and we will find out the status of his pension.

**Mr. Midiwo:** Mr. Deputy Speaker, Sir, could the Assistant Minister tell this House, in simple terms, where our retirees, particularly those who served this country in the armed forces in the early days, even before Independence, can go to fill those forms? have a few Questions coming

the Assistant Minister's way! Could the Assistant Minister just tell us where our people can go and sort out pension issues without having to wait for hon. Members to come and ask the same Questions over and over again?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, the necessary forms are available at every District Commissioner's office.

**Mr. C. Kilonzo:** Mr. Deputy Speaker, Sir, many retirees are very old and are living in the villages. It is very difficult for a 79-year-old person to come to Nairobi to chase for his or her pension. Could the Government consider taking these services to the villages?

**Mr. Tarus:** Mr. Deputy Speaker, Sir, indeed, it is necessary for us to take these services to the people in their home districts.

*Question No.033*

IRREGULAR REGISTRATION OF  
RONGO WOMEN GROUP PROPERTY

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

(a) whether he is aware that a house built by, and for a women group in Rongo Constituency under the banner of "Maendeleo ya Wanawake" is registered in the names of private individuals;

(b) who these individuals are and how much dividends they have paid to members for the last ten years; and,

(c) what he is doing to ensure that Rongo women groups are not defrauded of their money.

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

(a) The allegations that the house built by, and for a women group in Rongo Constituency is registered in the names of private individuals is erroneous. The house is owned by women groups from Awendo and Rongo Divisions, whose three leaders co-ordinate matters relating to the building. According to the certificate of registration No. C45642, dated 22nd March, 1991, the building is registered as Rongo Women Investment Company.

(b) The individuals who manage the building are: Mrs. Beatrice Odo; Mrs. Salome Ongoche; and, Mr. Josiah Arende, who is an ex-senior chief. The Ministry's attempts to obtain information on the dividends paid to members for the last ten years have been futile since the managers of the limited company argue that such information is individual and confidential.

(c) In an effort to ensure that women groups in Rongo are not defrauded of their money, the Ministry encourages all groups to ensure that their accounts are audited. Such organisations are at liberty to seek arbitration or legal redress where anomalies are identified.

**Mr. Ochilo-Ayacko:** Mr. Deputy Speaker, Sir, this is the Ministry that registers women groups. These women have not received any money from this so-called private company since 1991. What instruments of ownership do women groups in Awendo and Rongo have in respect of this company?

In her answer, the Assistant Minister has said that the building is owned by women groups from Awendo and Rongo. What kind of ownership do they have, as far as the Ministry is concerned?

**Mrs. Chelaite:** Mr. Deputy Speaker, Sir, as I have said, this is a limited company.

**Mr. Deputy Speaker:** The question is what instruments of ownership do they have? For



example, a title deed or a letter of allotment. Is that not what you asked, Mr. Ochilo-Ayacko?

**Mr. Ochilo-Ayacko:** Mr. Deputy Speaker, Sir, let me help the able Assistant Minister. On page one of her response, third and fourth lines, she has said that the building is owned by women groups from Awendo and Rongo Divisions.

What instruments do they have to show that they own this building? Her response is that, the building is owned by a private company. It appears that the Assistant Minister does not have that information. If the building is owned by women groups from Awendo and Rongo Divisions, what kind of ownership do they have? Do they have share certificates and of how much?

**Mrs. Chelaite:** Mr. Deputy Speaker, Sir, the ownership is being co-ordinated by three women. They have a management committee of about six people. They also have a patron by the name Mr. Dalmas Otieno, who actually initiated the project.

The ownership of this project is in the hands of a few people. Since they registered the building as a limited company, the Ministry cannot sue them, but they can be sued by the women groups. It is clear that members of the 318 women groups are not benefiting. It is only a few people who are benefiting.

**Prof. Ojiambo:** Mr. Deputy Speaker, Sir, I would like to ask the Assistant Minister to tell this House what policy her Ministry has to protect the many women groups in this country, which look upon the Ministry to protect their activities.

*(Messrs. Ndile and G.G. Kariuki  
consulted loudly)*

**Mr. Deputy Speaker:** Order, Mr. Ndile! Order, Mr. G.G. Kariuki! You are going against Standing Order No.85!

**Prof. Ojiambo:** Mr. Deputy Speaker, Sir, most of those women cannot go to court for arbitration. We know that many women groups suffer from interference by people who want to take over their property, and yet the Assistant Minister is not ready, or able, to assist them sort out the problems facing them. What policy does the Ministry have in place to assist them when they get into problems, as groups? They cannot--

**Mr. Deputy Speaker:** Prof. Ojiambo, we have heard your question. Mrs. Chelaite, what policies does your Ministry have to protect women?

**Mrs. Chelaite:** Mr. Deputy Speaker, Sir, in this particular case, and in other cases in this country, especially, with regard to groups registered under the Maendeleo ya Wanawake Organisation (MYWO), have a lot of problems. Since we register them as social groups in our Ministry, we only give them certificates to show that they are registered groups.

Mr. Deputy Speaker, Sir, as far as we are concerned, we are working on a legal framework, so that we can protect women. As of now, we do not have any legal structure in place.

**Mr. Owino:** Mr. Deputy Speaker, Sir, the Assistant Minister has given different dimensions to the Question. First of all, she is saying that the property is owned by Rongo women groups. She has given even three names of directors. At the same time, she is saying that the property is being managed by some private individuals, amongst whom is Mr. Dalmas Otieno. Which is which?

**Mrs. Chelaite:** Mr. Deputy Speaker, Sir, I was very clear in my answer that three people are co-ordinating the project. However, the same people have put in place a management committee of five people to manage the project on behalf of the rest of the groups. So, I have not confused the issue. It is as it is.

**Mr. Ochilo-Ayacko:** Mr. Deputy Speaker, Sir, you can see how unsatisfactory the answer is. For the last 15 years, those very poor peasant and hard-working women, who contributed

colossal amounts of money as an investment, have not been paid a cent. You have also heard the Assistant Minister say that she can do nothing about it. Could she tell the House what action - because I believe that there is some action that can be taken - she is going to take to ensure that those humble women are not defrauded of their property by this "super-structure" called a private company, and ensure that the house is properly registered in their names, instead of leaving them at the mercy of court arbitration or litigation, as she said?

**Mrs. Chelaite:** Mr. Deputy Speaker, Sir, because, as I said before, the company is registered as a limited liability company, I suggest that the women groups take the management committee to court. As a Ministry, our hands are tied. So, I advise that the women should go to court.

**Mr. Deputy Speaker:** Next Question, Mr. Salat!

*Question No.179*

KITCHEN/LAUNDRY FACILITIES FOR  
LONGISA DISTRICT HOSPITAL

**Mr. Salat** asked the Minister for Health:-

(a) whether he is aware that Longisa District Hospital does not have a functional kitchen;

(b) whether she is further aware that the Hospital does not have a laundry facility; and,

(c) what plans she has to provide the above facilities.

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

(a) I am aware that Longisa District Hospital has a functional kitchen. That is why the facility is able to admit patients and provide them with meals. However, the kitchen that is being used is not well-equipped, and part of its construction work is not completed.

(b) I am aware.

(c) Plans are under way to equip the laundry and kitchen in the next Financial Year - 2007/2008 - as a priority for the district. At the moment, the hospital has been allocated Kshs100 million from the Stalled Projects Fund to undertake all major renovations in the hospital laundry and kitchen.

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Salat:** Mr. Deputy Speaker, Sir, I want to bring to the attention of the Assistant Minister the fact that Longisa District Hospital has a bed capacity of 144. Last year, a total of 4,549 patients were admitted to that hospital.

Mr. Deputy Speaker, Sir, in his reply to part (a) of the Question, the Assistant Minister says that Longisa District Hospital has a functional kitchen. You have said often that we should take seriously the Questions that we ask in this House. I took it upon myself to show him what he exactly means by a "functional kitchen". I went to the hospital and took a picture of the facility. I want to table this picture, to show him exactly the "functional kitchen" he is talking about. This is a hospital with a bed capacity of 144 beds, to which 4,549 patients were admitted last year.

**Mr. Deputy Speaker:** Mr. Salat, could you table the photograph and then ask your question?

*(Mr. Salat laid the photograph  
on the Table)*

**Mr. Angwenyi:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the hon. Member to table a photograph when, in fact, I am here to confirm what he has said?

*(Laughter)*

**Mr. Deputy Speaker:** Mr. Angwenyi, what you can do is to reinforce the photograph, if you catch my eye.

**Mr. Salat:** Mr. Deputy Speaker, Sir, I will, afterwards, "table" Mr. Angwenyi with the photograph.

Could the Assistant Minister confirm to me whether, from his observation of the photograph I have tabled, he calls that a functional hospital, serving the number of people I have mentioned?

**Dr. Machage:** Mr. Deputy Speaker, Sir, with all due respect to my fellow Member of Parliament, I cannot authentically confirm whether this photograph is of that hospital. I leave that to the Chair to rule on. In addition, let me say that a kitchen is functional if it is able to produce food. That is what functionality means. I have said that I am also concerned about the equipment and the non-completion of the construction of the facility. That is why I have taken the step of giving Kshs100 million for the completion of the construction of the kitchen and the laundry. How best could I do my duty?

**Mr. Keter:** Mr. Deputy Speaker, Sir, it is not only Longisa District Hospital which does not have functional facilities. What plans does the Ministry have to make sure that most hospitals throughout the country have functional facilities?

**Dr. Machage:** Mr. Deputy Speaker, Sir, all the district hospitals in this country were allocated Kshs4 million to Kshs5 million in the last Financial Year to rehabilitate basic facilities. I believe that your hospital was included in that programme. If it was not, let me know and I will see what I will do.

**Mr. Deputy Speaker:** Last question, Mr. Salat! Hon. Members, we only have 15 minutes for Questions!

**Mr. Salat:** Mr. Deputy Speaker, Sir, I also asked about the laundry.

**Mr. Deputy Speaker:** I think the Assistant Minister was very magnanimous. I think he talked about the money for kitchen, laundry, *et cetera*.

**Mr. Salat:** Why do you not allow me? I am getting there.

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

**Mr. Salat:** Mr. Deputy Speaker, Sir, given the pictures that I have tabled and the number of patients that are admitted to that hospital, does the Assistant Minister think that, that kitchen can serve that hospital? What plans does he have now to assist that hospital, as we wait for the Kshs100 million which we have not seen? The kitchen cannot serve the number of patients that are admitted into that hospital!

**Dr. Machage:** Mr. Deputy Speaker, Sir, as of now, the kitchen is functional and the patients are fed. But I have said that I have allocated funds to that hospital.

Mr. Deputy Speaker, Sir, I have also taken the concern of the hon. Member about the completion of that kitchen to make it even better.

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

**Mr. Deputy Speaker:** What is it, Prof Ojiambo?

**Prof. Ojiambo:** Mr. Deputy Speaker, Sir, is it in order for the Assistant Minister to avoid answering a question that has been raised about a very important institution in this country? Would

I be in order to ask the Assistant Minister to present a list of the equipment in that hospital to this House?

**Mr. Deputy Speaker:** Prof. Ojiambo, that is a question!  
Next Question by the hon. Member for Butere.

*Question No.002*

EXPANSION OF BUTERE/MUMIAS  
DISTRICT HOSPITAL

**Mr. Oparanya** asked the Minister for Health:-

- (a) whether she is aware that treatment facilities at the Butere/Mumias District Hospital are inadequate and cannot cope with the demand for services; and,
- (b) when she will expand the existing facilities from those of a health centre to those of a district.

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

(a) Yes, I am aware.

(b) Currently, my Ministry has allocated funds towards the completion of the wards and a theatre, at a cost of Kshs13.7 million. In addition, the Constituencies Development Fund, which the hon. Member controls, has allocated Kshs4.2 million for the construction of an X-ray Department. I thank him for that. Further, my Ministry is committed to supplying the necessary equipment in the next Financial Year, 2007/2008. In addition to that facility, plans are under way to construct another 36-bed ward, a 24 body mortuary and a laundry block during the next financial year. I believe that will enable the facility to offer services commensurate with a district hospital status.

**Mr. Oparanya:** Mr. Deputy Speaker, Sir, that hospital was upgraded from a health centre ten years ago. But it does not have adequate wards, mortuary, theatre and a laundry block. What is the Ministry's policy of upgrading health centres to hospitals? That is because, to me, that facility is not fit to be a hospital. It does not have adequate facilities.

**Dr. Machage:** Mr. Deputy Speaker, Sir, I share the concerns expressed by the hon. Member about that facility. The population that, that facility serves is being used as a peg-point for deciding the level of a facility. Indeed, we want to remove the labelling of hospitals into district, sub district, provincial and so on. Instead, we will talk about level one, two, three and four, using the population. There are some locations that have a population that warrants a district hospital. It is unfortunate that, in the last ten years, that facility has been forgotten. But in the last four years that my Ministry has served this Government, I believe you have seen something being done! I will do even more.

**Mr. Arungah:** Mr. Deputy Speaker, Sir, Mr. Oparanya and I come from the same district. We have a health facility that has a capacity of up to 200 beds. The Assistant Minister has said that he plans to build another 36-bed ward, when we have a hospital with a 200-bed capacity. What would be the rationale of constructing a 32-bed ward, when we have a hospital with over 200-bed capacity? All that the facility needs is an X-ray equipment and a theatre and it will serve the entire province.

**Dr. Machage:** Mr. Deputy Speaker, Sir, the two hon. Members come from the most densely-populated area in this country, with a density of over 2,000 people per square kilometre. An addition of another 36-bed ward is really appreciable. But I am happy that they already have a 200-bed hospital. I will endeavour to try and facilitate those wards to be functional.

**Mr. Deputy Speaker:** Last question, Mr. Oparanya!

**Mr. Oparanya:** Mr. Deputy Speaker, Sir, I asked the same question sometime last year. The Ministry promised to allocate Kshs40 million towards the construction of various facilities at the hospital. I am surprised that the Ministry has allocated only Kshs13.7 million. The Assistant Minister has said that the CDF has allocated Kshs4.2 million to that facility. That is wrong! The CDF has only allocated Kshs2 million. I would like to know from the Assistant Minister whether the Kshs40 million I was promised last year was released. I also want to know whether the Kshs13.7 million has already been released. Is it in the provisions?

**Dr. Machage:** Mr. Deputy Speaker, Sir, I am aware that a theatre building that the Ministry endeavoured to build is 90 per cent complete. The remaining construction works will be completed in the next two months. I am also aware that the X-ray block, which is under construction, is now 30 per cent complete. The construction work is continuing. I would like to apologise for the information that I received showing that the hon. Member had allocated Kshs4.5 from the CDF. But he has confirmed that he has allocated Kshs2 million. I would request him to increase the Kshs2.5 million so that my budget can balance.

**Mr. Deputy Speaker:** Next Question by the Member for Amagoro, Mr. Ojaamong!

*Question No.063*

ILLEGAL COLLECTION OF RATES  
BY MALABA TOWN COUNCIL

**Mr. Ojaamong** asked the Minister for Local Government:-

- (a) whether he is aware that Malaba Town Council is illegally collecting land rates from its residents; and,
- (b) who authorized the council to collect the said rates.

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

(a) I am not aware.

(b) The council prepared a valuation roll using the laid-down regulations and the roll was approved by the council.

**Mr. Ojaamong:** Mr. Deputy Speaker, the Assistant Minister has confirmed that they are collecting rates from the residents of Malaba Town Council, but legally. Is he aware that two weeks ago, the Minister of Local Government, Mr. Kombo, was in Malaba Town because the residents had refused to pay those rates? He promised them that he was going to reverse that valuation roll.

**Mr. Shaaban:** Mr. Deputy Speaker, Sir, I am aware that the Minister said he would review the valuation roll as requested by the residents of Malaba. That is being looked into.

**Mr. Odoyo:** Mr. Deputy Speaker, Sir, could the Assistant Minister inform us when the roll was approved and how much has been collected to date? I believe collection of land rates is a partnership between the local authority and *wananchi*. Have they collected any money so far?

**Mr. Shaaban:** Mr. Deputy Speaker, Sir, I do not know that at the moment. If the hon. Member asks that Question later, I will be able to answer it appropriately.

**Mr. Mwanzia:** Mr. Deputy Speaker, Sir, if you look at the Question, it is talking about illegalities of a valuation roll that was prepared by Malaba Town Council. I would like to ask the Assistant Minister because an illegality might have been committed although the roll was approved by the Council---

Mr. Deputy Speaker, Sir, according to the Valuation Act, some legal requirements were not followed. This has happened in Nairobi City Council (NCC) where the court has ruled a valuation

roll as null and void. Could the Assistant Minister tell us whether for this valuation roll, the notice to levy the rates was published in the Kenya Gazette? Was the notice also printed in the local newspaper circulating in Malaba Town Council?

**Mr. Deputy Speaker:** Order, Mr. Mwanzia! Ask one question at a time!

**Mr. Mwanzia:** Mr. Deputy Speaker, Sir, I am giving him the requirements!

**Mr. Deputy Speaker:** Order, Mr. Mwanzia!

**Mr. Mwanzia:** Mr. Deputy Speaker, Sir, could the Assistant Minister tell us whether the legal requirements were met? If they were met, he should produce the documents.

**Mr. Shaaban:** Mr. Deputy Speaker, Sir, yes, all the laid down regulations and procedures were followed and the 28th Notice was given. Unfortunately, the people of Malaba did not raise any representation and, therefore, the whole matter was legal.

**Mr. Deputy Speaker:** Very well! Hon. Members that is the end of Question Time!

*(Mr. Ojaamong stood up  
in his place)*

Order, Mr. Ojaamong!

**Mr. Ojaamong:** I need to ask the last question, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** All right, Mr. Ojaamong!

**Mr. Ojaamong:** Mr. Deputy Speaker, Sir, indeed, there was an illegality in the whole exercise in that the council prepared this thing but never informed the public as required by the Valuation Act. Now that the Minister made a mistake by gazetting this valuation roll, what remedy do the residents have so far? He cannot revert it himself!

**Mr. Shaaban:** Mr. Deputy Speaker, Sir, I said that no illegality was committed. All the laid down regulations were followed. It was done through a full council resolution and the valuer was appointed through the normal procurement process. The same was gazetted by the Minister and the statutory notice was given to the residents of Malaba to give any representation, if any. No illegality was committed at all as all the laid down regulations were followed.

It is only that when the Minister visited the area, the residents of Malaba raised some issues and he said he would look into them in consideration of the people's request. However, no illegality was committed at all. All the laid down regulations were followed to the letter.

**Mr. Deputy Speaker:** Very well! I was saying, hon. Members, that as you see from the Order Paper, the next Order must start not later than 3.30 p.m. I only have a few seconds now. I, therefore, order that the two remaining Questions by Messrs. Bett and Karaba be deferred to tomorrow afternoon.

*Question No.093*

COST OF CONSTRUCTION OF  
MBAGATHI WAY

*(Question deferred)*

*Question No.118*

MEASURES TO REVAMP  
COFFEE INDUSTRY

*(Question deferred)*

Capt. Nakitare, you have only 30 seconds to say what you want to say.

### POINT OF ORDER

#### ESCALATION OF INSECURITY IN SABOTI

**Capt. Nakitare:** Thank you, Mr. Deputy Speaker, Sir. This is another sad day for the people of Saboti. I would like to seek a Ministerial Statement from the Minister of State for Administration and National Security over the escalating insecurity in Saboti, Trans Nzoia West District.

Last night, 23rd April, 2007, at around 10.30 p.m., six people were shot dead. One woman was kidnapped and 11 others injured by the gunmen in Saboti Constituency, Kinyoro Location. The names of the people killed are Mr. John Njoroge Mukung'u---

**Mr. Deputy Speaker:** Order, Capt. Nakitare! You just need to ask the Minister for a Ministerial Statement. Now you are giving him the facts yet I told you that you only have 30 seconds.

**Capt. Nakitare:** All right, Mr. Deputy Speaker, Sir. I have given facts. However, I demand a Ministerial Statement from the Minister of State for Administration and National Security. He visited the area and when he left, the outcome is that people are dying. I would like to get an answer from the Minister.

**Mr. Deputy Speaker:** Very well! Is the Minister here?

**An hon. Member:** No!

**Mr. Deputy Speaker:** He is not here. However, I believe, his colleague, the Minister for Finance, will alert him to prepare a Statement, probably, by Thursday.

Next Order!

### COMMITTEE OF SUPPLY

*(Order for Committee read)*

### MOTION

#### APPROVAL OF SUPPLEMENTARY ESTIMATES (RECURRENT AND DEVELOPMENT) 2006/2007

**The Minister for Finance** (Mr. Kimunya): Mr. Deputy Speaker, Sir, I beg to move:-

- (a) THAT, a sum not exceeding Kshs13,349,636,120 be granted from the Consolidated Fund to meet expenditure during the year ending 30th June, 2007, in respect of Supplementary Estimates of 2006/07 Financial Year (Recurrent) having regard to the proposed reduction of Kshs6,190,662,070 therein appearing.
- (b) THAT, a sum not exceeding Kshs15,565,597,574 be granted from the Consolidated Fund to meet expenditure during the year ending 30th June, 2007, in respect of Supplementary Estimates of 2006/07 Financial Year (Development) having regard to the proposed reduction of Kshs3,240,846,105 therein appearing.

Mr. Deputy Speaker, Sir, His Excellency the President has given his consent to "these Motions".

**Mr. Deputy Speaker:** Order, Mr. Minister! For purposes of clarity, this is just one Motion. Therefore, the consent is for this Motion.

**The Minister for Finance** (Mr. Kimunya): Yes, the President has given his consent to this Motion.

The current Budget that is financing the Public Service was approved by this House on 22nd November, 2006. In implementing the Budget, I have adhered to the broad fiscal framework that was tabled before this House in June 2006. A review of the Budget implementation to the end of February, 2007, has indicated that some assumptions that underpinned the Budget formulation including revenue collection have since changed.

In addition, we have received several requests by Ministries for both additional funding as well as re-allocations.

Mr. Deputy Speaker, Sir, the following are some of the key factors that have notably varied from the original projections. The first one is on revenue collection which is below the projected level for the end of February, 2007. As we project to the end of June, we anticipate a reduction in collection of revenue of Kshs5.9 billion.

Mr. Deputy Speaker, Sir, the second critical and major factor is that we have an additional expenditure requirement of Kshs11.6 billion for servicing the obligations of the Consolidated Fund Services (CFS). The third factor is that we have requests, by Ministries, for additional funds amounting to Kshs33 billion. I will try to give highlights on each of these issues.

On revenue projection, the collections have not performed in line with our earlier projection. As I said, analysis indicate that there will be a shortfall of Kshs5.9 billion by 30th June, 2007. We have discussed this matter with revenue collection authorities and also analyzed where the problems are. We know that appropriate administrative measures are being taken to ensure that a further decline will not occur in the remaining period until June, 2007. Indeed, we may well have some recoveries, especially in the last one month and the performance this month, but to be on the safe side, we would want to provide for food. When the money becomes available, we will apply it towards reducing any borrowing that we might have to do.

Mr. Deputy Speaker, Sir, on the CFS, the expenditure trend that this non-discretionary expenditure budgeted for under the CFS indicates that there will be an additional requirement of Kshs11.6 billion. Included in this Kshs11.6 is Kshs4.5 billion that relates to rolling over part of the domestic debt and which does not entail any actual movement of funds. The actual additional requirement of funds is, therefore, Kshs7.1 billion, which is made up of two main items; that is, interest on both internal and external debt. We may have to pay an extra Kshs4.6 billion over and above our projection.

Mr. Deputy Speaker, Sir, in terms of ordinary pensions, hon. Members may recall that we raised the threshold; the amount payable per month from Kshs500 to Kshs2,000 and this has resulted in an extra expenditure of Kshs2.7 billion. As hon. Members may be aware, the CFS does not require approval of this House and we are basically reporting for purposes of hon. Members to note the extra increases and the impact it may have on the rest of the Budget.

With regard to the requirements for additional funds by various Ministries and Departments, we have received requests for additional funding of Kshs33 billion. All these requests have come up due to extra activities being undertaken by the Ministries and natural calamities that befell this country. We experienced drought and floods in this country. This resulted into extra expenditure that was not anticipated. We have also had issues to do with honouring some agreements that were entered into earlier on and fast-tracking others. A good example of this is the case of teachers' pay rise. We have also had issues to do with raising our Strategic Grain Reserves so that, at least, we can lock in the good harvest farmers have been making and avoid food shortages in the future. There is a host of so many other requests that I will be mentioning in a minute's time.

Mr. Deputy Speaker, Sir, having looked at the figure of Kshs33 billion, adding to it the extra Consolidated Fund Services request and a shortfall within the revenue, we have been left with



no option, but to re-look at the request of the Ministries. We have, therefore, adjusted that figure downwards from Kshs33 billion to Kshs19.5 billion.

It is important to note that these three factors are really the basis for this financial year's Revised Estimates. In preparing these Estimates, we are very conscious of the need to maintain our fiscal stability that is critical to economic growth. Despite the influence of these factors, our overall domestic borrowing will remain at the projected level as shown in this year's Budget framework. I would also like to add at this point that in the normalisation of our relations with the International Monetary Fund (IMF), the World Bank and other development partners, we also expect that some of the funds that had been frozen will start flowing, which will also help reduce the pressure on internal borrowing leaving that money for the private sector.

Mr. Deputy Speaker, Sir, after considering the Budget out-turn for the first eight months of this financial year and the trend of the various expenditures, adjustments and reallocations have been made to priority programmes. I would like to highlight here where we are going to make some of the allocations that are recommended for approval by this House. As I said earlier, the first priority goes, obviously, to the additional expenditure on Consolidated Fund Services, where we do not have a choice expect to note. We are proposing for appropriation, by this House, an extra expenditure in respect of teachers' wage adjustment amounting to Kshs2.5 billion.

Hon. Members are aware that we promised teachers that should the economy improve, the amount of money that was being paid in instalments would be accelerated so that they also feel the benefits resulting from an economy which has improved. We have kindly agreed, and we have negotiated, that we could pay one half of the instalment that was falling due in the next financial year in addition to all the instalments for this year. Hopefully, we should be able to clear everything within the next financial year, that is, between July and December, so that teachers can now start feeling that they are part of this growing economy.

Mr. Deputy Speaker, Sir, like I said earlier, we have witnessed, because of the reforms that are taking place in agriculture, that our farmers have taken advantage of all the incentives being given to them, for example, the good prices that are being guaranteed by the Government. As a result of that, they have produced a lot of grain, especially the people living within the grain baskets of this country. We have undertaken to increase the Strategic Grain Reserve by an extra one million bags of maize, which should now see the country survive through the worst of situations as well as giving our farmers a guaranteed purchase on the extra work that they have put in terms of producing food for the nation. In this financial year, we expect to finance a-half of that, which is Kshs900 million. The rest of the money will be provided within the next budget.

With regard to disaster relief, based on the problems that we experienced as a result of drought and floods, we were forced to incur an extra Kshs900 million. There were also problems caused by the Rift Valley Fever, which we had to mitigate against. However, we are happy to note that the problems have now been contained.

On roads maintenance, we have a net extra addition of Kshs2.5 billion, again, arising out of similar situations that I stated earlier on. For instance, as a result of floods, bridges on our roads collapsed and hence the need to increase funding for construction of roads and their maintenance.

Rural electrification in this country has been very successful in terms of implementation. We are now allocating some extra funding so that we can reach many more Kenyans in our constituencies. That way, we shall give them light and get them out of darkness. We hope to reach many more schools in the rural areas in order to give our children better lights so that they can study day and night as we hope to better their lives.

That is in addition to another Kshs1.3 billion that the Government has undertaken to pay to the Kenya Power and Lighting Company (KPLC) on behalf of Kenyan consumers. This is the shortfall between the amount they are being charged by KenGen at Kshs2.36 per kilowatt/hour and what they are capable of absorbing without passing that extra cost to the consumer at Kshs1.76 per kilowatt/hour. The difference of 60 cents is being funded by the Government on behalf of all the consumers in this country. That will cost an extra Kshs1.3 billion while letting the two companies

operate in accordance with the agreement that they signed.

Mr. Deputy Speaker, Sir, I will, therefore, be seeking appropriation of an extra Kshs1.7 billion towards the Rural Electrification Project and KenGen/KPLC subsidy to Kenyan consumers.

Mr. Deputy Speaker, Sir, we have all seen the progress made by the Ministry of Water and Irrigation. The Ministry has provided Kenyans with quality drinking water. There are now many families accessing quality drinking water, especially in arid and semi-arid areas. Piping has been done in areas where people have never had a chance to taste it. The Ministry is seeking an extra Kshs800 million in these Supplementary Estimates.

Mr. Deputy Speaker, Sir, the Prisons Department has not received as much funding as required. Consequently, we have had many accumulated bills. These are in terms of food and electricity bills. We have had embarrassing situations of power cuts in prisons because the KPLC has not been paid. We fear we could lack food in our prisons if we do not top up the amount available for the department. We are allocating an extra Kshs800 million towards Prisons Department, mainly for food and electricity bills.

Mr. Deputy Speaker, Sir, we will also be seeking extra funding amounting to Kshs.700 million under the Ministry of Trade and Industry. This is money that was allocated to bailout Uchumi Supermarkets. This was a loan. We are all very happy that the only chain of markets that was initiated by the Government, with the efforts of Kenyans, we were able to save it from imminent collapse. It is now doing a wonderful job. It is turning around. We hope that we will recover this money when we eventually return it to its shareholders. The Government will then be paid back its money. In the meantime, we will be seeking for an appropriation of Kshs700 million.

Mr. Deputy Speaker, Sir, under the Ministry of Transport, we are seeking an extra Kshs600 million. This relates to the continued support we had to give the Kenya Railways for the four months; between July to October, 2006, due to the delay in takeover by the concessionaire; Rift Valley Railways. They were still trying to work out the conditions that we had imposed on them and to fit within an acceptable agreement. We had expected them to take over from 1st, July, 2006. However, in the event that they delayed for four months, this cost was passed on to us in terms of subsidy and servicing of Kenya Railways Corporation. I hope that in the future, this will be a thing of the past.

*[Mr. Deputy Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, under the Ministry of Local Government we are seeking some money for the establishment of hawkers' markets. Hawkers are hard working people. However, they have had problems in terms of where to sell their wares. This has resulted in constant fights although they have reduced drastically in the recent past with the local authorities as they tried to instil order which we all require.

Mr. Temporary Deputy Speaker, Sir, to provide a win-win situation, we allocated funding to secure a series of markets for the hawkers. The main ones are at Muthurwa and Westlands. I believe there are another eight or so, that are being planned, so that our hawkers can now be traders within defined, organised and very formal market structures. From these places, they can command even better prices and order as we try to convert Nairobi into a business hub and commercial centre for the rest of this region.

Mr. Temporary Deputy Speaker, Sir, in this financial year, we will be seeking Kshs500 million as part of the estimated start-up cost for those markets.

Mr. Temporary Deputy Speaker, Sir, the Ministry of Health and its parastatals; including the Kenyatta National Hospital (KNH) and the Kenya Medical Training College (KMTC), will be seeking extra funding for purposes of paying salary adjustments that were negotiated and agreed

upon. We believe that the bulk of that will have to be paid in the next financial year. However, in the next two months, we will be seeking for a top-up of Kshs300 million.

Mr. Temporary Deputy Speaker, Sir, the rest of the adjustments and reallocations have arisen because of either the slow uptake in terms of development financing or Ministries which had negotiated for higher budgets. We are using some very prudent management practices and so have mopped up all that money. We are calling for its surrender, so that we can target it to areas it will make maximum impact.

I wish to commend the Ministries that have exercised a lot of prudence and realised some savings on the recurrent budget. The savings will be directed towards areas that would spur development and make sense for our economic development.

The Motions before this House are to seek the approval for the next Supplementary Appropriations of a net of Kshs7,158,974,050 in terms of Recurrent Expenditure and a net increase of Kshs12,324,751,469 for Development Expenditure. We are also seeking the authority of this House for proposed re-allocations and applications of additional Appropriations-in-Aid (A-in-A).

Mr. Temporary Deputy Speaker, Sir, I wish to record our thanks to the hon. Members for their support as we implement the economic reforms aimed at locking-in the recent economic achievements and move us onto a higher platform for development and prosperity of our nation.

Mr. Temporary Deputy Speaker, Sir, I believe that it is through us working together, legal reforms we have been passing, the budgets, Sessional Papers and ideas from hon. Members that we are able to achieve the trends in development we are seeing with an economic growth of 5.8 per cent in 2005. The economic growth rate was confirmed to six per cent in 2006. Projections are that we will be making an economic growth of not less than six per cent in 2007.

Mr. Temporary Deputy Speaker, Sir, all indications are that this country has now fully recovered. By the year 2012 we may well be on the ten per cent economic growth rate. This is something we want to maintain within the framework of Vision 2030 which is almost complete and ready for sharing with hon. Members in the not too distant future.

Mr. Temporary Deputy Speaker, Sir, all this cannot just happen from the Government side, we must also receive support from the whole House. I really want to thank hon. Members and ask that you continue supporting us by highlighting the areas that require our attention; where we are not focusing on, so that together we can build this country into a stronger nation that it needs to be.

Mr. Temporary Deputy Speaker, Sir, I request for your continued support in approving this Motion so that we can go back and prepare the Supplementary Appropriations Bill and complete the year on a good footing.

With those few remarks, I beg to move and ask the Minister for Roads and Public Works, Mr. Nyachae, to second.

**The Minister for Roads and Public Works** (Mr. Nyachae): Mr. Temporary Deputy Speaker, Sir, thank you for allowing me to second this important Motion. I do not wish to add more messages to what the Minister has already conveyed to this House. The message is very clear.

Mr. Temporary Deputy Speaker, Sir, basically, what is being explained here is an adjustment of the Budget. We want to adjust it so that the economy---

### COMMUNICATION FROM THE CHAIR

#### LIMITATION OF TIME FOR MEMBERS SPEAKING

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Nyachae! The Clerk has brought to my attention a decision that we need to take. This is a Motion that we must finish today. Ordinarily, the Mover has got unlimited time. Every hon. Member has to speak for 30 minutes but the House has not resolved as to whether we want to follow that route.

So, I wanted to seek the House's decision as to whether you would like us to take ten minutes or 30 minutes for each hon. Member. This is your business and you have to make the decision.

**Hon. Members:** We are agreeable to that, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Khamasi): Okay, you may continue, Mr. Nyachae.

**The Minister for Roads and Public Works** (Mr. Nyachae): Thank you, Mr. Temporary Deputy Speaker, Sir. My ten minutes starts right now and not earlier. As I said earlier on, the Minister for Finance is merely seeking the approval of the House to make the necessary adjustments to the Budget. The adjustments that have been reported here are absolutely necessary. For example, this House has always supported the adjustment of teachers' salaries. So, the Minister is asking us to endorse that, so that he can go ahead and release the money. I think, we should not raise any objection to that.

Mr. Temporary Deputy Speaker, Sir, let me also say that there is no hon. Member who does not know the kind of problems and calamities that we have gone through because of drought, the Rift Valley Fever, damaged roads and broken bridges. All those are things that are known.

Therefore, the adjustments are necessary. The only thing that I would like to explain here is that the Minister is not asking us to adjust and obstruct any on-going programmes. These adjustments are to fulfil what is urgent. We are not just simply taking away money from some Ministries.

Mr. Temporary Deputy Speaker, Sir, some hon. Members may think that the Ministry is losing money. I am very conversant about that because in my own Ministry, if you look at the records, they are being shown that Kshs1.9 billion is being taken away, but the truth of the matter is that there is no on-going programme being interfered with. These adjustments are being made because the foreign finances are not coming within this Financial Year. Therefore, even with whatever portion we are going to contribute, the project cannot start. This is not going to affect only one area.

Mr. Temporary Deputy Speaker, Sir, it is very amusing because when I accepted those adjustments, even the home district of the Minister for Finance is also going to lose out on commencement of road construction in his area because the foreign financing has not come. This is mere adjustment. Alternatively, what we need as an emergency requirement has been made available.

In fact, it is more than what is being taken away as a result of the new projects not commencing because of the external financing not being available immediately.

Mr. Temporary Deputy Speaker, Sir, I do not think that we need to raise any issues about what the Minister of Agriculture, for example, needs on cereals. At 43 years since Independence, we cannot continue thinking of failing to produce enough for our own consumption and start importing food from outside. Therefore, farmers must be given all the money they need to produce enough food. The National Cereals and Produce Board (NCPB) must be given money for the national food security. That money is necessary.

Mr. Temporary Deputy Speaker, Sir, regarding the Ministry of Health, there is no constituency in this country which has not had additional health centres or dispensaries. That requires additional staff and medicine from the Ministry of Health. If all those requirements have to be made available, adjustments have to be made and money has to be provided to support the programme.

I do not want to go on and on.

The message is very clear and the Minister has been very candid on all those issues.

Mr. Temporary Deputy Speaker, Sir, however, I would like to emphasize one point: In order to support the economy so that it continues to move with our thinking and our wishes, there is need for us, as hon. Members on both sides of the House, to put every effort in consulting one another.

If you see something going wrong in my Ministry or any other Ministry, let us consult one

another. It is not me who is in charge of roads. It is all of us because we all need those roads. If you do not work with me and vice versa, I do not see how we can succeed. That applies to the education sector, health services, the transport system and so on. Let us work as a team.

Mr. Temporary Deputy Speaker, Sir, there are areas where politics of all sorts can be played, but there is no way you can play different politics when you are in the same country and you want the economy of that country to grow. You cannot afford to have petty differences. Everyone wants the economy to grow.

Mr. Temporary Deputy Speaker, Sir, I do not think even in politics where we oppose one another, that there is somebody who can say: "I want the economy to grow backwards." Together, we need the economy to grow. We need to grow together. What we are doing today, on the adjustment of the Budget, is actually to support the economy to move.

Mr. Temporary Deputy Speaker, Sir, finally, if we do not take note of the growth of our economy, outsiders have started to notice that our economy is performing well. Whenever I go abroad, most people, especially the business community, tell me clearly: "You people, keep it up! You had almost ruined your economy! Never go backwards again!" Could we move together and build our economy?

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

*(Question proposed)*

**The Temporary Deputy Speaker** (Mr. Khamasi): Hon. Members, let us now hear from the Official Opposition Responder.

**Mr. Maore:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to give the Official Opposition response to this Motion. If you remember, we were here in June, when we passed the main Budget. We would have expected the Minister to obey the Government policy of not making road-side declarations and executing them, but financing those well thought-out and planned projects. I have an example of the Minister's story about the hawkers market at Muthurwa. If you remember very well, it was not a hurricane, flooding or the bursting of a river. But it was an issue where His Excellency the President went and opened a market. He said that there is money to put up a complex. Now, the Minister has said that he is trying to raise that money through the Supplementary Estimates. That is being irresponsible!

Secondly, if you look at the increases, they are not on the development projects and programmes. About Kshs7 billion out of Kshs11 billion is on the Recurrent Expenditure. At the beginning of the year, there was no intention to raise salaries for civil servants. It is understandable if we are honouring the pay-hike for teachers. It was a promise that, when the economy improves, the Government would honour that promise. If you look at the entire Vote, from Vote 1 to Vote 46, everything is about increase in the remuneration of civil servants. I understand this is an election year, but we expect the Government to behave responsibly. Elections are just incidents that happen after every five years. You cannot commit a Government into promises, having in mind an election, which will happen again after another five years. We are pleading for restraint! The road-side promotions and mid-stream declarations are causing hiccups in our economy. That is not good planning.

Mr. Temporary Deputy Speaker, Sir, I want to praise the Minister for stopping Kenya Electricity Generating Company's (KenGen's) Second Public Offer (SPO). If you remember, it was only last year when the Initial Public Offer (IPO) was done by KenGen. Now, before the shareholders could get dividends and assess the performance of the company, they were to be given another share offer. That is being irresponsible. It is showing that there is a problem with the Capital Markets Authority (CMA), as well as the Nairobi Stock Exchange (NSE). Now that the Minister has stopped the share offer, he should go a step further and order an investigation into insider-trading among the companies, and whether there is collusion and conspiracy between NSE and CMA. We are playing with Kenyans. We are damaging our reputation if we allow that kind of

behaviour to perpetuate.

Mr. Temporary Deputy Speaker, Sir, if you remember, at the beginning of this year, the Minister had intended to raise some money from Kenya Reinsurance Corporation Limited (Kenya Re.). Some allegations of corruption were labelled against some officials of Kenya Re. Those allegations were not triggered by either Kenya Anti-Corruption Commission (KACC), Kenya National Audit Office (KNAO) or Treasury! They were triggered by the media. We are asking the Government to be alert and streamline the management of public corporations.

Mr. Temporary Deputy Speaker, Sir, you remember the Government was supposed to raise some money from the sale of Telkom Kenya. They were entangled in a web of secret sale of Safaricom shares. They were not able to know what is the actual value of Safaricom to Kenyans and to secret owners, whoever they are. They did not know whether they were partners in ownership. We need those things to be clarified. When the Government says it will make money from selling shares, it should sell the shares through IPOs. It should not come to the House towards the end of a financial year and start explaining: "We had this! We have had that!" That is not a tale or a story that should come from a Government. It is a story that should come from pedestrians who have no idea what planning is all about.

Mr. Temporary Deputy Speaker, Sir, another issue that we need to raise---

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Maore! The Clerk-at-the-Table has informed me that you have 30 minutes to make your contribution because you are the Official Opposition Responder.

Proceed!

**Mr. Maore:** Mr. Temporary Deputy Speaker, Sir, I will use less time. I had not prepared myself to use the 30 minutes. I will be magnanimous to other hon. Members.

Mr. Temporary Deputy Speaker, Sir, if you follow what has been happening with the issue of inflation--- The Minister and the Government have been telling us that the economy is growing. Yes, we can see that the economy is growing. But it is growing on the left hand while the right hand is misbehaving. Look at the price of fuel from the date we passed the Budget. It was Kshs74 per litre. Today, it is going up towards Kshs80. So, when you tell people that the economy has improved, they do not feel it! It is not in their pockets. Maybe, it is in the NSE.

Mr. Temporary Deputy Speaker, Sir, the country is edging closer towards an election and we have between 5 million and 10 million Kenyans who will not vote because they do not have Identity Cards. Many young people over 21 years, even from my own constituency, who do not come from the border community, are being asked to give an affidavit as proof of getting an identity card. There is no rationale under the sun where the chief ignores the elders and respects an affidavit. The lawyers are charging between Kshs1,000 and Kshs2,000 to give those affidavits. The only headache the politicians, sitting Members of Parliament and aspirants are facing is to cough that money and provide forms to those youths in the hope that they will vote for them. There is no guarantee! What is happening is that the lawyers are making money. The only normal thing that has happened is that people are making money because there is a lot of confusion. It is confusion because the Minister in charge of the registration of persons and the director or officers cannot explain why we should have blank forms signed. They are sent *en masse* to special people to pick them. They fill them and then they are accepted by the fellow issuing the Identity Card (ID), without a letter from the chief saying that such a fellow was able to start living in that area without an ID because the Government was inefficient and it was not providing ID cards. That is the only reason why people did not pick them, but not out of their own volition. People did not ignore to pick IDs; they were not there. Those who were there know that it was out of political manipulation. If you did not come from certain areas or region, you were not supposed to get IDs, because you were likely to vote against the Government at that time. I hope this Government is not doing the

same. So, we need some streamlining of this issue of IDs to make sure that our people are not disenfranchised at the end of this year when it comes to voting.

Mr. Temporary Deputy Speaker, Sir, the other issue that I want to raise, is that of roads. I am glad that the Minister for Roads and Public Works has said that there are no actual monies that are going to be withdrawn from this project. If you look at the very many road projects that are going on, they are very essential and important. We need not withdraw any monies or try to adjust any of the allocations that are done in the budget.

Mr. Temporary Deputy Speaker, Sir, finally, there is the issue of environment. The entire world community is talking about the global warming or climatic changes. We are having a threat on our five water towers. We have not had any statements from either the Minister for Finance or Minister for Environment and Natural Resources, talking about a massive programme on afforestation in this country. If you go towards the east of Somalia, you will find very hostile weather. The permanent drought that we keep facing is arising out of the deforestation that we have been perpetuating for many years.

We need to harmonise between the local authorities, the Forestry Department of the Ministry of Environment and Natural Resources and the Kenya Wildlife Service (KWS), so that we can have a harmonious policy to protect our forests and environment, especially the water catchment areas. This calls for money and Government planning. It is not done just by giving stories in seminars or workshops. We need to plant trees. This cannot happen if we do not plan.

Mr. Temporary Deputy Speaker, Sir, so, I request the Minister, maybe in the substantive budget, to liaise with the Minister of Environment and Natural Resources, so that they can allocate money to protect and safeguard our water catchment areas and restore the catchment areas of Mau, Cherengany, Aberdares, Mt. Kenya and the rest of the smaller areas. When these catchment areas are gone, there will be no electricity, water and rain. It will be a disaster. We all know it, but we are doing very little about it. The Government should be able to change this attitude, then we can have afforestation in our country.

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

**Mr. Muite:** Thank you, Mr. Temporary Deputy Speaker, Sir. In supporting the Supplementary Estimates, I would wish to take this opportunity to appeal to the Minister to make an effort to have respect for this House. This House is not a rubber stamp. The constitutional authority of authorising withdrawals from the Consolidated Fund is vested in this House by the Constitution. So, we are not a rubber stamp.

If it were not for the fact that hon. Nyachae has explained very clearly here that, in fact, the roads programmes are not going to be affected in respect to the Kshs1.9 billion that the Ministry is seeking to reallocate from that Ministry, I had drafted an amendment to the Appropriation Bill. I was going to move an amendment to strike out that item, so that the Ministry of Roads and Public Works can have its full budget, instead of having a reduction.

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, the reason why I am asking the Minister to have respect for this House is because of several examples. This House passed the Banking (Amendment) Act. As hon. Members will remember, we debated the Memorandum from His Excellency the President and in this House's wisdom, the House rejected the proposed deletion of Section 44 of the Banking Act. Since then the Minister has elected to refuse to gazette that Act and, therefore, it has not been brought into operation. Why is that so? It is because of disrespect to this House. The Minister, I suspect, maybe planning, like he did with the Donde Act, to repeal what this House passed through the Budget, *lakini tuko macho*. We will not allow it to happen. So, when this

House makes a decision, it is the responsibility of the Minister--- Since he is coming here for this House to sanction the Supplementary Estimates, he must reciprocate by implementing its decisions. When we amended the other Act relating to Keroche Industries, the Minister went ahead and removed the company from this schedule of taxation to another one and immediately asked it to pay Kshs1 billion; again, to try to reverse a decision of this House. This conduct must stop. The Minister must learn to have respect for the decisions of this House. I am talking about his official conduct and not his personal conduct.

**The Minister for Finance** (Mr. Kimunya): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to continue misleading this House, that I have not gazetted the Banking (Amendment) Act, when that Gazette Notice is in the public domain in terms of the effective date of the Banking (Amendment) Act?

In reference to the Keroche Industries, there was a court case that had been going on, even before this House amended those rules. That had nothing to do with me. There is a case between the Kenya Revenue Authority (KRA) and Keroche Industries which has been on-going. Is the hon. Member in order to continue misleading this House on basic facts that are known at the very elementary level?

**Mr. Muite:** Mr. Temporary Deputy Speaker, Sir, the Minister should lay that Gazette Notice on the Table, because the last time I referred to that Act, it had not been brought into operation. With regard to Keroche -and I do not want to indulge in an exchange with the Minister - the Minister will remember having a discussion with the hon. Dr. Oburu, the Chairman of the Committee on Finance, Planning and Trade. He told him that the decision they had made was useless, because he was going to change the schedule.

**Hon. Members:** Shame! Shame!

**Mr. Muite:** Mr. Temporary Deputy Speaker, Sir, the other point that I would like to make is that when the Minister was moving this Supplementary Budget, he said he is asking for some more money because of prior contractual commitments made by the Government. I have gone through those Supplementary Estimates and I do not see any provision in respect of particular prior commitments. I am referring to the irrevocable promissory notes in respect of the Anglo Leasing scandal. These are prior commitments. An irrevocable promissory note is a promise to pay when the promissory note is presented by the holder. In accordance with the nature of promissory notes, they are negotiated by the person in whose favour they are made. They are discounted with the banks, so that the final person who brings it to the Kenya Government for payment maybe a third, fourth or fifth person. When it is irrevocable and it is issued by a government, it must be paid.

Could the Minister also be clear to this House and the Kenyan people, and tell us what is the totality of these promissory notes? When are the dates of their maturity? So, why do we continue hearing talk that they were revoked? How can you legally revoke an irrevocable promissory note? What is the total potential liability? Has he made provision for it, because he talked about prior commitment?

With those few remarks, I beg to support.

*(Applause)*

**Mr. Syongo:** Thank you, Mr. Temporary Deputy Speaker, Sir. I will make only a few remarks. First, even as I stand to support this Motion, the reduction or adjustments, as they have been presented, ought to be rationalized. For example, when we debated the allocations to the various roads in various districts, there was an outcry that some districts were given substantially more allocations for roads than other districts. I will give you an example of my own district, which was given Kshs3 million, whereas some districts were given nearly Kshs1 billion.



*(Applause)*

On page 230 of the Supplementary Estimates, Development Vote, a mere Kshs3 million which was allocated for civil works under the Ministry of Roads and Public Works has been further reduced by Kshs2 million, leaving only Kshs1 million for roads in Suba District. The amount has been reduced from Kshs3 million to Kshs1 million! Whereas if you look, for example, at page 222, you still have a net increase for roads--- And I have no grudge against Embu District, but there is a net increase in the allocation for roads in Embu District worth Kshs122 million.

**An hon. Member:** Shame!

**Mr. Syongo:** Mr. Temporary Deputy Speaker, Sir, where is the rationale behind this?

**An hon. Member:** Shame!

**Mr. Syongo:** Mr. Temporary Deputy Speaker, Sir, I would like the Minister to clarify one thing: He has talked about the Government giving subsidies for electricity consumers. My understanding is that, because KenGen had come to an agreement with the Kenya Power and Lighting Company (KPLC) to buy electricity at a certain amount and in order to sustain the viability of the next offer on KenGen shares, we are sustaining that agreement by not allowing KenGen to sell at a lesser price. That is what they are offering to do so that they can continue to pay the KPLC the same amount, which is higher than the one they want to sell the shares at, and we are saying that we are subsidising the consumers. But the real person we are subsidising are the shareholders of KenGen. It is not the consumers!

*(Applause)*

**Hon. Members:** Yes!

**Mr. Syongo:** It is not the consumers, because we are using taxpayers money in order to sustain the viability of the share offer on KenGen. That is most unethical!

**Mr. Odoyo:** Pyrethrum!

**Mr. Syongo:** Why should taxpayers, who are ordinary people and consumers of power, subsidize shareholders of KenGen?

**An hon. Member:** Shame!

**Mr. Syongo:** Mr. Temporary Deputy Speaker, Sir, I would like the Minister to clarify one issue. I do not know whether it is true or not but there has been talk of diluting the portfolio of KenGen by removing the components related to geothermal and setting up another entity to produce and sell electricity from systems other than hydro. The original purchasers of shares of KenGen purchased them on the understanding that it was a wholesome company with the entire portfolio intact. Now, we are removing one significant portfolio; that is, geothermal and others, from the rest of the portfolio. I would like the Minister to clarify this issue for the sake of the credibility of our Capital Markets Authority and the thriving of the Nairobi Stock Exchange. It is extremely important!

I am glad that one of my colleagues has already mentioned that there has been a significant drop in the overall stock prices in this country. Many Kenyans have lost a substantial amount of money. They bought shares at very high prices and, suddenly, the prices went "puff", down! It is daylight robbery! We must do something so that we put back confidence in the Nairobi Stock Exchange. This is very important because the Kenyan capital market is the leader in the whole region, and we need to maintain that credibility.

Mr. Temporary Deputy Speaker, Sir, on the Recurrent Expenditure, hon. Maore has mentioned something about teachers. Yes, it is very good to pay more salaries to teachers who are

currently in the payroll. Fine, but if you look at the pupil:teacher ratio, there is such a huge shortage of teachers in all our primary schools, especially because of free education! The Government needs to provide additional funds to employ more teachers and not just looking at paying or rewarding teachers who are already in the payroll and ignoring the glaring disparity between pupil enrolment and the number of existing teachers in primary schools!

Finally, Mr. Temporary Deputy Speaker, Sir, I would like to appeal to all my colleagues; the economy is growing. Let us not send misleading signals to our people! Let them take advantage; let us agree that the economy is actually growing, it is springing up, so that they are all prepared to take full advantage of this definite growth in the economy. But if we deny it and say that it is not growing, as hon. Nyachae mentioned, foreigners will come and take advantage, but we shall continue to be blindfolded and we shall not take advantage of the growth of the economy.

*(Applause)*

With those few remarks, I beg to support.

**The Assistant Minister, Ministry of State for Youth Affairs** (Mr. ole Metito): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. I want to support this very important Motion. I also want to add my voice to those who are in agreement that the economy is growing and, actually, it has grown. In that regard, I would like to thank those in the Treasury and the Kenya Revenue Authority (KRA) for a job well done.

Mr. Temporary Deputy Speaker, Sir, in supporting the Supplementary Estimates, I was expecting the Minister to actually take into account or take into consideration the establishment of the new districts. New districts have been created, and it is a very good move because that is bringing services closer to the people. With those new districts, we need additional funds in these Supplementary Estimates that will go towards building of offices and, also, posting of personnel to those new districts. In essence, that is actually to operationalize those new districts, because in every new district, we need all Ministries to be represented there. So, it is important for the Minister to take into account those newly created districts because they are now totally independent from their parent districts. District Commissioners have already been posted and we will have new structures like the creation of more divisions and locations, downwards up to the grassroots level, and all these need vehicles, offices and also staff to run the affairs and activities of those new districts.

Mr. Temporary Deputy Speaker, Sir, I also want to support a Vote in the Supplementary Estimates; that is Vote R33, Electoral Commission of Kenya, that is going toward voter registration. This is an election year and we still have so many young people who are not eligible voters because they do not have their voting cards and it is a good move that, in the Supplementary Estimates, that one has been provided for. But it is always good to marry the issue of voter registration with the registration of persons for Identity Cards. If we actually provide further funding in the Supplementary Estimates for the registration of new voters and then, out there, those voters have no Identity Cards, which is a requirement for you to be registered as a voter, I really wonder then, how are people going to register as voters?

So, I would like to urge the Ministry for Immigration and Registration of Persons to speed up the process of Identity Cards issuance. When the Electoral Commission of Kenya (ECK), which is very efficient in this process, says voters registration will go on for one month, it is precisely so. However, very few people want to register as voters. What is happening right now at the grassroots level is that people register for Identity Cards, but it takes more than a year for them to be issued with the same. So, it is important that this Ministry looks into this issue with a lot of seriousness.

Mr. Temporary Deputy Speaker, Sir, we have had several calamities in this country,

especially the Rift Valley Fever (RVF). The RVF and other livestock diseases have been occurring because of several issues. The Ministry of Livestock and Fisheries Development has always dealt with the curative side of these diseases instead of taking preventive measures. I would urge the Minister for Finance to provide more funding to the Ministry of Livestock and Fisheries Development, so that it can go a step higher in preventing these diseases. One way of doing so, is by reviving all the stalled cattle dips in the whole Republic. If they were functioning, most of these diseases would have been prevented. Every time we try to cure these diseases instead of preventing them. Although the RVF has been contained, it is a pity that over 60 per cent of the livestock of this country have not been vaccinated against the RVF. So, if more funds were allocated to that Ministry, I am sure, they will vaccinate our livestock against the RVF.

Mr. Temporary Deputy Speaker, Sir, on the issue of teachers, I would like to concur with other speakers that as much as we support the additional funding towards the increment of teachers' salaries, there is always a need to employ more teachers. We should provide more funding to the Ministry of Education, so that they can employ more teachers. We are building more schools using the Constituencies Development Fund (CDF). We are starting primary schools in very remote areas. However, they are becoming white elephant projects because there are no teachers.

Mr. Temporary Deputy Speaker, Sir, the same applies to health facilities in this country. Hon. Simon Nyachae, while seconding this Motion, mentioned that in each and every constituency, there have been additional health facilities. If the Government will not take very seriously the issue of new dispensaries built using CDF funding, we will have very many white elephant projects in this country. I think it is against the policy of this Government to have white elephant projects. If we start a project, we must finish it and make it operational. So, I would urge the Minister to provide more funding to the Ministry of Health for the operationalization of those facilities. In fact, the Ministry of Health has instructed Medical Officers of Health (MOHs) in all districts to only operationalize one health facility per constituency. In so doing, we will end up having so many stalled projects in our country. We have enough drugs in our dispensaries, but we need enough and qualified personnel to administer those facilities.

With those few remarks, I beg to support.

**Mr. Sambu:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make a few comments in support of these Supplementary Estimates.

Mr. Temporary Deputy Speaker, Sir, I am happy that the Ministry of Finance is including funds in these Supplementary Estimates to increase the grain reserves. Whereas we want to increase the grain reserves, it is sad that many maize farmers have not been paid. We were told that the Government released a sum of Kshs1.2 billion to pay maize farmers. However, to date, farmers have not been paid for their deliveries. We have farmers who have not been paid for the maize they delivered as way back as January. I urge the Government to pay grain farmers who delivered their produce immediately.

Mr. Temporary Deputy Speaker, Sir, I am happy that teachers will be getting their salaries adjusted upward as per what they demanded. However, we know that in the long term, as my colleagues said, we have to employ more teachers. This is because the ratio of 80 pupils to one teacher is not functional at all. It is unmanageable. We are just pushing those children from Standard One to Standard Eight without them learning at all. We have to employ more teachers so that the teacher-pupil ratio comes down to a maximum of 35 to 40 pupils per teacher.

Mr. Temporary Deputy Speaker, Sir, on the issue of release of funds by the World Bank, International Monetary Fund (IMF) and other foreign donors which were frozen, the unfreezing is good. However, let the interest rates charged by local banks also be reduced. Otherwise, this goodwill will be of no good to Kenyans. It is unfortunate that up to today the "Donde Bill" has never seen the light of day to become a law.

Mr. Temporary Deputy Speaker, Sir, on road maintenance, I am happy that it is being allocated a sum of Kshs2.5 billion. However, I believe in the main Budget, it should get quite a substantial amount. Kenya is an agricultural country. Therefore, without a good infrastructure, our farmers cannot access markets for their produce. I wish the Minister was here because we are now experiencing disasters on our roads because of heavy rains. We are being told that they will be getting some emergency funds for emergency repairs. I wish to inform the Government that there is a bridge along the Kapsabet-Eldoret Road C39 which has broken down. This bridge is located some few kilometres to Kapsabet Town. The users of this road are in danger. I am urging the Ministry to use its emergency funds to repair it.

Mr. Temporary Deputy Speaker, Sir, the Minister has said a sum of Kshs1.3 billion will be used to subsidise the cost of energy which KenGen sells to the Kenya Power and Lighting Company (KPLC). I want KPLC to reciprocate. I would urge the Minister for Energy to reduce the electricity connection fee from the current Kshs32,000 to even Kshs10,000.

Mr. Temporary Deputy Speaker, Sir, there will be no point for the Government to take power to the rural areas, instal transformers and then the KPLC demands Kshs32,000. It is very difficult even for a teacher, an assistant chief or a chief in the rural area, to raise Kshs32,000 at once. Since we are subsidising power from KenGen to the tune of Kshs1.3 billion, KPLC should also lower the connection charges, particularly to the rural consumers.

There is also the issue of the KPLC importing electricity poles. The Government must do something about this. We have allowed the Pan African Paper Mills, which I understand is going to close down very soon because it has ran broke, to finish all our forests. I come from an area which provides a lot of forest cover in this country, but the Pan-African Paper Mills has destroyed all our forests and they do not replant trees. I am asking this Government, like I asked the previous Government, to re-start the *shamba* system. There will be no planting of trees unless we have the *shamba* system.

Mr. Temporary Deputy Speaker, Sir, those of us who come from such areas know that if you plant a tree on grass, it will not grow because it will be destroyed by moles and insects. But if you allow farmers to plant their maize and fruits and plant trees at the same time, the trees will grow. All the trees that are now being cut down were planted using the *shamba* system.

I was a Minister for Environment and Natural Resources and I know that without the *shamba* system, we are wasting our time. We are just allowing the Pan-African Paper Mills to destroy our forests. They will run away to India or to wherever they came from, and we will continue to import electricity poles from as far as Finland. Getting connected to electricity is very expensive because we import the poles. We should try to use concrete poles. For the moment, we should re-start the *shamba* system. If this country is to re-afforest, let us allow the *shamba* system.

Mr. Temporary Deputy Speaker, Sir, I want to thank the Ministry of Water and Irrigation. We have seen the Ministry going to areas where we have not had water before. I want to remind the Minister that there are several water projects, for example, in my area, which were started in the colonial days using the Sweenerton Plan. I would wish that these projects are rehabilitated.

If we say we want to use the CDF, then this will mean that we want to use the CDF for huge projects, which it cannot sustain.

I want to talk about the Ministry of Health. The Ministry is being given Kshs300 million for salary adjustments. The Ministry should use some of this money to subsidise the cost of treatment in Government health facilities. The Moi Referral Hospital in Eldoret comes to my mind. This hospital has disenfranchised many Kenyans. Thousands and thousands of identity cards have been left at the hospital by patients or their relatives. I sometimes wonder under which law a hospital would take an identity card in exchange of an unpaid debt. Lawyers will tell us this, but many Kenyans have been disenfranchised. I want to urge the Ministry of Health - I wish the

Minister was here - to look into this issue.

The Ministry should have sought more money from the Government to subsidise medical cost in Government hospitals. We have been told that Tuberculosis patients should be given free treatment. But in Moi Referral and Teaching Hospital in Eldoret, they are "thrown" away to go and die. Once somebody has Tuberculosis of the lungs or the bones, they do not survive.

Finally, I would like to request that there should be a harmonious relationship between the Parliamentary Service Commission (PSC) and the Treasury. We have sought to have a Fund for the PSC and we have had road blocks put on our way. Parliament should have its own Fund. Treasury is looking for financial independence. Parliament is given financial independence by the Constitution, but we are being denied.

With those few remarks, I beg to support.

**The Minister for Energy** (Mr. Murungi): Mr. Temporary Deputy Speaker, Sir, I would like to make a few remarks in support of this Motion. We all know that the purpose of Supplementary Estimates is to enable the Government to meet unforeseen and unexpected expenses which arise in the course of the financial year.

In these Supplementary Estimates, my Ministry is seeking a further Kshs1.7 billion. Out of this Kshs1.7 billion, Kshs1.3 billion will go to the KPLC, to cushion Kenyans against tariff increase. There has been an on going---

**Mr. Odoyo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The notice we have here shows that the Ministry of Energy is requesting for over Kshs2.2 billion. **The Temporary Deputy Speaker** (Mr. Khamasi): Where is that?

**Mr. Odoyo:** Mr. Temporary Deputy Speaker, Sir, may I just confirm that we are reading from the same script that the Minister is reading from.

**The Temporary Deputy Speaker** (Mr. Khamasi): Hon. Odoyo, you know the rules of this House. When you stand on a point of order, you are saying that something is wrong; the procedure is wrong! What is it?

**Mr. Odoyo:** Mr. Temporary Deputy Speaker, Sir, is it in order for the Minister to say that he is asking for Kshs1.7 billion when, indeed, he is asking for Kshs2.219 billion?

**The Minister for Energy** (Mr. Murungi): Mr. Temporary Deputy Speaker, Sir, I am seeking an extra Kshs1.7 billion plus re-allocation of other funds which we had already been allocated.

Mr. Temporary Deputy Speaker, Sir, the Kshs1.3 billion, as I was saying, will be used to cushion Kenyan customers against the tariff increase. There is an on-going study, funded by the World Bank, being carried out under the auspices of the Electricity Regulatory Board (ERB). This study is just about to be concluded. It was supposed to have been concluded last year, but because of some delays, it was not. It is not the intention of the Government to have any tariff raise until we have considered the recommendations of that study. Therefore, in the interim, we have asked the Treasury to make a provision and support the KPLC to the tune of Kshs1.3 billion, so that after we have done a thorough scrutiny of that study, then a decision will be made as to whether to increase these tariffs or not. So, this was an unforeseen expenditure and we would like it to be justifiable in these circumstances. It is not KenGen that is being supported by the Kshs1.3 billion. We are cushioning Kenyans against a possible tariff increase.

Mr. Temporary Deputy Speaker, Sir, it is true that we expect to establish a geothermal development company later this year. The geothermal development company will not, in any way, devalue KenGen. As Kenyans know, exploration and production of geothermal energy in the country is just like oil or gas exploration. This is a very risky venture as you have seen from our exploration of oil or gas off-shore by Woodside last year, where the company spent Kshs5 billion, but it hit a dry well and instead of finding oil three miles under the sea, it struck fresh water. So,

Kshs5 billion went down the drain.

If KenGen was to be exposed to similar risky ventures in geothermal exploration, the shareholders of KenGen would envisage enormous financial risks. So, what we are trying to do by establishing this company is to insulate KenGen from these risky ventures of exploration and production of geothermal resources. Once we have explored and produced geothermal steams, KenGen then takes over for purposes of generation. The generation functions have not been taken over from KenGen. We have only taken over, through the new company, the exploration activities. So, there should be no fear whatsoever that the shareholders of KenGen will be exposed to risks as a result of the formation of the new geothermal company.

Mr. Temporary Deputy Speaker, Sir, the other Kshs400 million we have sought is for support of our expanded Rural Electrification Programme (REP). Hon. Members will testify that we have the most ambitious REP going on in the country today. Since Independence until the year 2000, both the Kenyatta and the previous Governments spent Kshs6 billion on the REP, connecting an average of 20,000 customers per year. In the last three years, this Government has spent Kshs7 billion in expanding rural connectivity. Within the last nine months, we have connected 100,000 customers, which is more than five years' equivalent of what could have been connected in the past. This expanded programme has imposed a strain on the finances that have been allocated to the Ministry and we are, therefore, seeking an additional Kshs400 million.

What was said about the posts is true. We are having problems accessing poles in Kenya alone. It is our policy to buy posts from Kenya first. If we do not get enough poles locally, we source them from the rest of the East African region. If we do not get enough from the rest of the East African region, we source them from the rest of Africa. As we speak, we are now importing poles from Chile, and others from Finland, because even Tanzania started getting worried about the rate at which her forests were getting depleted.

Mr. Temporary Deputy Speaker, Sir, we have started a new project, which we are calling the "Energy Sector Environment and Social Responsibility Programme". This year, we are going to spend Kshs500 million on tree planting projects in this country, because we want our country to be self-sufficient in poles in about four years to come. So, we are encouraging farmers to see growing of trees as a business. We write to established commercial plantations, so that instead of importing poles from outside, we buy them from our local farmers. Already, we have raised Kshs250 million from the parastatals within the energy sector, and I will be seeking another 250 million from the main Budget in July, so that we can make Kshs500 million.

I will also be supporting communities all over Kenya to plant trees in every constituency, because we have discovered that even where we extend electricity to, the people only use it for lighting purposes. They still continue cooking using firewood. We have discovered that no matter how much we ask our people not to cut trees, so long they need them for cooking, they will cut them down. So, we, as the energy sector, have decided to increase the supply of firewood in this country by encouraging communities to plant their own trees. So, some of this money will go to communities within hon. Members' constituencies, and we would like hon. Members to encourage them to plant trees, because they will need those trees for firewood.

Mr. Temporary Deputy Speaker, Sir, we are also aware of the need to support our catchment areas, namely, the Mau Forest and the Mount Kenya region, from where the dams get water. Some of this money will, therefore, also be used to reafforest and protect our catchment areas.

Mr. Temporary Deputy Speaker, Sir, regarding electricity costs, especially in rural areas, it costs an average of Kshs200,000 to connect a single customer, because of the distances that our people live in out there in the rural areas. However, that figure has been heavily subsidised by the Government, so that the cost has now dropped to about Kshs31,000. Even for the amount of

Kshs31,000, we have decided that one does not have to pay the whole amount at once. One can just pay part of it and pay the balance later on, as one enjoys electricity. So, we are holding awareness meetings, where we are telling the people that they can just pay part of this amount. Since they are going to be in Kenya all their life, there is no reason for harassing them.

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

**Mr. Weya:** Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this debate.

First, I would like to commend the Minister for Energy, because I think he has reformed, and his Ministry is doing very well in supplying electricity, through the REP, across the whole country, as opposed to many other Ministers, who are only supporting their areas. I would like to congratulate him for that and ask other Ministers to follow his example.

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is Mr. Weya in order to say that the Minister for Energy has reformed? Was he crooked before?

**Mr. Weya:** Mr. Temporary Deputy Speaker, Sir, yes, he went through baptism of fire. If other Ministers could follow his example, this country would be a great nation.

*(Laughter)*

I would like to also advise the Minister for Finance to copy the examples provided by the Minister for Energy and the Minister for Roads and Public Works, who inform Members of Parliament what their Ministries are doing in specific constituencies. As a Member of Parliament, I find it very difficult to understand why a young Minister like him cannot establish a website to inform Members of Parliament, and the nation at large, for instance, with regard to the Constituencies Development Fund (CDF), how much money is going to each constituency and what projects are being financed, so that we can monitor the monies that go to our constituencies. As a Member of Parliament, I am not even aware of how much the Ministry of Finance is disbursing to my constituency of Alego Usonga, and I think many other constituencies have a similar problem. So, I would like to advise the Minister to set up a website and indicate what money is going to which constituency, and to finance which projects, so that even communities in the constituencies can monitor the expenditure of the CDF money.

Mr. Temporary Deputy Speaker, Sir, I can see that the Ministry of Finance has included some money for teachers' salaries in these Supplementary Estimates. During the run up to the general elections in 2002, we promised them, as NARC, that we would increase their salaries immediately we got into Government. Although it has taken time, now we are giving them this increase in the last year of this Parliament. Their package should have been spread over several years, so that it does not bite hugely into the finances of one Budget. There is also a complaint from teachers, who retired prior to the payment of the money that is going to be paid that they will not benefit. The Minister should be aware of that complaint, because they have already gone home. I do not think this Government is going to consider them for payment because it has put the money in these Supplementary Estimates.

I can also see in these Supplementary Estimates some money allocated for cotton development. That is good but I went to South Africa last year and learned that when a government, really, wants to support farmers, supplying them with cotton seeds alone is not good enough. You need to introduce them to modern methods of agriculture. I do not believe that Kenyan farmers in the 21st Century should still be using *jembes* to plough. That is wrong because of the amount of time, energy and resources that they use, as opposed to those used by their

counterparts all over the world, who use modern technology. This country needs to graduate from a Third World country mentality and start using what other countries are using, so that we can catch up with them.

Mr. Temporary Deputy Speaker, Sir, I would like to also talk about revenue collection. I was recently in my constituency, and councillors were complaining bitterly that the Kenya Revenue Authority (KRA) is asking them to pay, in arrears, their taxes from when they started earning their allowances. You know how much money councillors earn. They earn peanuts. This is an issue which the Ministry of Finance needs to look into before it starts taxing councillors. The little money that councillors in the rural areas earn forces them to adopt uncouth ways of raising additional resources for themselves, which is wrong. They start handling community resources which should be monitored and used properly. You cannot expect somebody to give out money when he does not have that money to give out. So, this has created a situation where some councillors have become very corrupt. Eventually, they do not implement local authorities' projects properly.

Mr. Temporary Deputy Speaker, Sir, I would like also to talk about roads. In last year's Budget, roads in my Siaya District were allocated Kshs4 million. But that money has been reduced by Kshs2 million. So, we got only Kshs2 million in the whole of Siaya District for roads. My neighbouring constituency which is Bondo, has had its Budget increased from Kshs240 million to Kshs300 million because Mr. Tuju, who is a Government Minister, comes from that district. That is an increase of Kshs60 million. That money was earmarked for Ndori- Wimbi Road because he is a Cabinet Minister. We need to come out of that. We should not take projects only where the Ministers come from. When they realise that you are an ordinary Member of Parliament, they do not support you. Yet, there are typical roads that pass through my constituency. Since Independence, Alego-Usonga Constituency has only seven kilometres of tarmacked road. So, you can imagine that some money that was supposed to be in last year's Budget was not there. But it was in the first Budget that was read by Mr. Mwiraria. It was also in the second Budget that was read by Mr. Kimunya. A sum of Kshs450 million was allocated to the constituency road from Rangala-Siaya-Bondo and Siaya-Usonga to connect us to Sio Port dam where fishing is the main industry. That road was given nothing by the Minister for Finance in last year's Budget. From then, henceforth, we have never seen that money in the Budget.

We need to find out whether the Government has Ministers who are level-headed. I would like to say that Mr. Murungi has become level-headed. If we get Ministers who are level-headed, this country would grow and attain the required development across the board. In the distribution of water resources, Siaya District got Kshs5 million while Nyeri District got Kshs450 million. What criteria was used there? What is the basis for allocating resources? Do you have a Cabinet Minister for development to go to your area? We should get away from the archaic ways of the KANU regime. In the past, a Minister would call another Minister and tell him: "Give me one school and I will give you one hospital! Give me one road and I will give you a water project! Give me ten employees and I will give you 20!" That is how some of these Ministers are still operating, especially those who were Ministers during the KANU regime. They sit in their offices calling other Government Ministries and asking for favours. They say: "Give me one parastatal head and I will give you one in my Ministry!" Ministries have now become a place for trading by Ministers of this Government. That is very embarrassing.

We are a modern society. In a modern society, Information and Communication Technology (ICT) is very key. We cannot expect our young children in our constituencies to compete with their counterparts in United States of America (USA), Japan and Taiwan, if we do not extend ICT to our rural areas. It is critical that we do so. We want our children to use computers right from nursery schools. That way, they can do research at that level. We should do



that, even if it means doing it at the constituency or locational level. That will modernise our student's way of thinking. How do you expect our students to finish Form IV without ICT knowledge and yet, in USA, children are taught to use computers at the nursery level. Without ICT, our children cannot compete with their counterparts in the first world for jobs, business and other things, even in development and growth. That will not happen until we are able to look at ourselves as Kenyans. We should not just look at what Uganda, Tanzania and other countries around us are doing. We should look at what First World countries are doing, so that we can enable this country to move faster. We hear about economic growth in this country. Economic growth is a good thing. But we should look at the sectors that are growing. Kenyans are using huge sums of money in telecommunications. But you find that some of those resources are now benefiting other companies such as the Vodafone, which invested in that sector earlier. Vodafone is pulling huge profits back to its country. Kenya is not benefiting from those proceeds. We are only benefiting from the taxes which such companies remit to our Government. We need to make sure that we have our own mobile companies. That way, Kenyan communities can form companies and invest in that sector. We need to grow as a society.

The Minister for Finance should look at how to empower our people in financial institutions. That way, we can empower our youth and women. I can see that we are planning to give loans to our youth. But the idea of giving loans to those who do not have security is a serious issue. The Government says it will channel the money from the Youth Enterprise Development Fund through the banks. Banks are institutions that we are trying to avoid. We need to set up a revolving fund to assist those who do not have access to capital. Some of our women cannot even get Kshs1,000 to start a business of selling vegetables. So, we need to look at how we will fund those groups. What structures are we going to put in place? But we should not use banks! Telling somebody to go to a bank is just like telling him to get an ordinary loan. So, let us look into those critical issues.

Mr. Temporary Deputy Speaker, Sir, our country's economy is agricultural based. We should not just look at coffee and tea. We can find out the prices of those two crops. We should explore other crops like pyrethrum, which the Government has not considered. We also have a crop like cotton, which the Government only gives seeds. We need to have what we call a minimum return.

With those few remarks, I beg to support.

**Mr. Angwenyi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this important Motion.

Right from the outset, I would like to support the request by the Minister for Finance. First, we are approving the unforeseen expenditure by the Government. Secondly, and most importantly, we are giving directions to the Minister as to what we will expect in the main Budget in June. Take, for example, roads. Over the weekend, I had a chance to travel to Nyeri and Kirinyaga districts in Central Province. I was shocked! The district where the President comes from has got some of the poorest roads in this country. Why would I want to be a President? I do not understand why those people are running around the country wanting to be presidents, if their roads will be like the type of roads that I saw in Nyeri.

We were travelling in a parliamentary bus. We had to push our bus through muddy roads in Kirinyaga District, where Ms. Karua comes from. She is so strong here in Parliament and yet, she cannot get a road in her constituency! You can see in that constituency, tea leaves rotting in buying centres! You also see coffee beans going to waste! There are huge maize plantations! Those are the crops that pay the loans that we borrow from abroad, to construct roads all over the country. This Minister should seriously take into account the needs of Kenyans and provide infrastructure. The statement in this Parliament that areas that produce foreign exchange for this country should not be

provided the resources of this country disproportionately is wrong! It must be stopped. You must first give the people who provide before you provide those who do not provide. Go to Kericho and Nandi! Go to Meru! There are no roads in those areas. It takes three hours to drive from Mau Summit to Kericho Town, a distance of only 50 kilometres. That is an area that produces billions of shillings for this country. I wish that man will spend his energy to produce the way Mr. Nyachae produces. Talking all over the country every time will not help you. Go and put some cows, even those that are tick-bitten, in your area where the grass grows and rots. We need to contribute to our economic growth. For example, the areas that produce for this country have got polluted rivers. We must allocate more money for water projects. I wish I came from Rarieda where we would get Kshs350 million for water projects and we would not be denied an opportunity to implement those projects. I wish that money could be transferred to Kitutu Chache where the people will slaughter a whole bull for that hon. Member. The hon. Member for Rarieda should have done that for me.

**The Minister for Foreign Affairs** (Mr. Tuju): On a point of order, Mr. Temporary Deputy Speaker, Sir. This is a point of order because Rarieda has been mentioned with respect to water and about transfer of money from Rarieda to some other areas. I would like the---

**An hon. Member:** What is your point of order?

**The Minister for Foreign Affairs** (Mr. Tuju): Mr. Temporary Deputy Speaker, Sir, my point of order is---

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Tuju! I think we need to respect one another. The Minister will be heard and he has time. Let us give him time to be heard.

**An hon. Member:** But it is not a point of order!

**The Temporary Deputy Speaker** (Mr. Khamasi): Order! Whether a point of order or not, he will be heard!

**The Minister for Foreign Affairs** (Mr. Tuju): Thank you, Mr. Temporary Deputy Speaker, Sir. It is a point of order but also a point of information.

**Hon. Members:** No!

**The Minister for Foreign Affairs** (Mr. Tuju): Okay, I will leave it as a point of order. Let me, therefore, frame it! On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the hon. Member to insinuate that there is money which has been allocated to Rarieda which needs to be transferred to other areas? The fact is that the hon. Member for Rarieda sourced the money from outside this country?

**An hon. Member:** From where?

**Mr. Angwenyi:** Mr. Temporary Deputy Speaker, Sir, I thought I was commending the hon. Member who has utilised his position very well by talking to Italy - he is the Minister for Foreign Affairs - and got the Kshs350 million. I wish I could get that money for Kitutu Chache!

*(Messrs. Tuju and Odoyo stood  
up in their places)*

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, all of you! I am not going to allow exchange between two persons. I do not want it to be personalised.

We are discussing a very important Motion here and it must be respected! Therefore, I want this business of personal exchange to stop forthwith!

*(Messrs. Angwenyi and Tuju  
stood up in their places)*

*(Mr. Odoyo consulted loudly)*

Order, Messrs. Angwenyi and *Waziri*! Mr. Odoyo, you have to respect the rules of this House. You have no other option! If you do not do that, you know the consequences.

**The Minister for Foreign Affairs** (Mr. Tuju): On a point of order, Mr. Temporary Deputy Speaker, Sir. However well meaning it is, is it in order for the hon. Member to say that the Minister for Foreign Affairs has used his position as the Minister for Foreign Affairs? Indeed, that project was started when I was the Minister for Information and Communications.

Secondly, it was because I am a Rotarian and I used Rotarian circles to do that.

**Mr. Angwenyi:** I have heard the information, Mr. Temporary Deputy Speaker, Sir. All the same, the people of Kitutu Chache---

*(Messrs. Ojode and Odoyo stood up in their places)*

**The Temporary Deputy Speaker** (Mr. Khamasi): Order! I am not going to allow it! Both of you, can you, please, sit down?

*(Messrs. Ojode and Odoyo continued standing in their places)*

Order, both of you! You have to sit down and allow us to hear Mr. Angwenyi!

**Mr. Angwenyi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for protecting me. The message I am passing---

*(Mr. Ojode consulted loudly)*

Please, protect me, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Mr. Ojode! You will have to obey the Chair!

**Mr. Angwenyi:** Mr. Temporary Deputy Speaker, Sir, the next thing that I am going to talk about, is electricity. We should commend the Ministry of Energy for the work they have done in this country.

*(Applause)*

However, there is one problem in that Ministry: They have imported foreigners to come and run the Kenya Power and Lighting Company (KPLC), a firm that has been ran by Kenyans for the last 30 years. They should look at that seriously! They should get those people to pack up and go back to their countries.

The issue of settlement is a time bomb in Kisii. It is a time bomb because more than a half of the Kisiis are squatters. They squat on other people's farms. I have five brothers who are all living on my shamba which is only 1.5 acres.

**An hon. Member:** You are an hon. Member!

**Mr. Angwenyi:** Mr. Temporary Deputy Speaker, Sir, those people may one day decide to get rid of me. Could the Government source funds to settle those Kisiis? We have close to a million Kisiis who would like to be settled somewhere.

**An hon. Member:** Where?

**Mr. Angwenyi:** Mr. Temporary Deputy Speaker, Sir, the next thing I would like to talk about is the provision of free health care. In the minimum reforms, I want to propose that we enshrine in our Constitution, that this country provides free health care to every Kenyan. This country should also provide free education up to secondary school level. What benefits are the poor people of this country going to get from the minimum reforms unless we can provide these type of services that they deserve? As you know, we are going to provide a lot of money for minimum reforms but as they are today, they are a benefit only to the political elite. There is nothing there for the poor man of this country.

If we look at security in this country, I cannot understand why we cannot stop the insecurity in Mt. Elgon, Kiambu or Tana River. We have agencies that we provide a lot of money for. For example, the National Security Intelligence Services (NSIS), this year, we are allocating Kshs5 billion for them. What is this money used for? Is it used to investigate foreigners or get intelligence about crisis in this country?

Mr. Temporary Deputy Speaker, Sir, on the issue of agriculture - most of my time has been consumed by my friends - the tea sector is one sector which has never received any support from this Government. That is the one sector which has survived the destruction of the economy of this country over the years. I hope that the Minister, in the main Budget, will set aside some funding to expand our tea factories and even construct new ones so that they can take all our tea production. This will earn revenue for this country so that they can construct a road or provide water to Nyakach, for instance. They would also construct a road to Ndhiwa or give them cows that are tick-bitten so that they can rear them and get milk instead of losing grass.

Finally, I would like to urge the Minister to create a rapport with hon. Members and the Parliamentary Service Commission (PSC). That is the service that provides for the welfare of these hon. Members. It can give him good feedback as to how to handle this economy so that the growth of the economy which is being experienced can be realised throughout the country.

With those few remarks, I beg to support.

**Mr. Muturi:** Thank you, Mr. Temporary Deputy Speaker, Sir. Right from the outset, I would like to state that I support this Motion. When the Minister was moving this Motion, he indicated that some of the new requirements that he has made in the Supplementary Estimates were, for instance, those payments related to teachers' salaries and those intended to go into the revival of Uchumi Supermarkets. Those are moves that are welcome.

Mr. Temporary Deputy Speaker, Sir, when you look through the Supplementary Estimates, sometimes you wonder what happens between the time the main Budget is prepared and the last three-quarters of the financial year. I would have expected that if the Government was really serious about this issue they call Vision 2030, which falls under the Ministry of Planning and National Development---When the Budget was presented here in June, last year, the provision that they made at that time was around a figure of Kshs14 million. One, then, wonders whether really the Ministry had an idea of what kind of secretariat, personnel and staff they would require to spearhead the Vision 2030, if, indeed, it was meant to be a serious outfit. This is because they are now requesting for an additional Kshs197 million and that is shown as going towards Vision 2030's secretariat. One wonders whether the Ministry of Planning and National Development ever planned at all and if they did, what was their idea of the kind of secretariat that they would need to handle that very huge responsibility for them to have expected that Kshs14 million would be enough.

Mr. Temporary Deputy Speaker, Sir, we are told that the Supplementary Estimates are meant to cushion the Government from some of the unexpected happenings and so on. One wonders, when you look at the provision for the Ministry of Agriculture, for instance, the

Horticultural Crops Development Authority, you are shown that certain monies are to go to current grants, Government agencies and other levels of Government. Of course, the tradition is that nobody ever explains which these levels of Government are. However, suffice it to point out that at the time of the Budget, if you look through the Supplementary Estimates as presented here---As you know, you and I have problems even reading those figures because they are done in such small print that I always think that the intention is that they should not be questioned sufficiently. The more reason why I agree with Mr. Weya when he suggests that we actually need to begin posting some of this information to some website for the Ministry of Finance so that those of us who are ageing and have problems with eyesight, like the Minister for Planning and National Development, will be able to find this information without straining a lot.

*(Laughter)*

**The Minister for Planning and National Development** (Mr. Obwocha): On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not know whether you heard what the hon. Member just said. He said that the Minister for Planning and National Development has problems with his eyesight. This is unbelievable. It is, in fact, an insult to the Minister for Planning and National Development.

**The Temporary Deputy Speaker** (Mr. Khamasi): Yes, Mr. Obwocha. I heard him say so and that is, indeed, imputing improper motive on the part of fellow hon. Member.

**Mr. Muturi:** Mr. Temporary Deputy Speaker, Sir, I withdraw that bit and appreciate that the Minister for Planning and National Development has spectacles. That is a fact which is undeniable.

*(Laughter)*

**The Minister for Planning and National Development** (Mr. Obwocha): Mr. Temporary Deputy Speaker, Sir, could the hon. Member, please, withdraw and apologise because that is a personal attack on my character?

**Mr. Muturi:** Mr. Temporary Deputy Speaker, Sir, I have not attacked the character of the Minister, but I have just observed that he is wearing spectacles. That is really not a big issue. It is true that he is wearing spectacles just as Mr. Wetangula is. These are facts that you cannot deny and it is really nothing.

Mr. Temporary Deputy Speaker, Sir, I want to appreciate that as we debate and approve these Supplementary Estimates and this being an election year, we have got to be careful and observe that some requests are being put in areas that are likely to raise some reasonable doubt. For instance, in these Supplementary Estimates, under the Ministry of Gender, Sports and Cultural Services, there is an item titled, "Hospitality Supplies and Services." We are, however, told that they had planned to get Kshs16.2 million, but now they want Kshs58 million in order to give awards to our athletes. I appreciate the fact that we should give awards to our athletes. However, the rider is that, this being an election year, we hope that the money will be given on some criterion that is going to be developed and which is not going to see some elements of favouritism or people trotting into the Rift Valley Province allegedly looking for votes amongst the athletes around there and purporting to give them awards.

Mr. Temporary Deputy Speaker, Sir, as we commend the Ministry of Energy, I observed that there is a programme by Kenya Power and Lighting Company (KPLC) called *Umeme Pamoja*. It is a good programme, but it covers people living within a radius of 600 metres only. If we are talking about the Rural Electrification Programme (REP) and we want to connect as many people

as the Minister indicated here when he was contributing, then there is need and logic in proposing to him and KPLC that this *Umeme Pamoja* Programme needs to be expanded to cover a radius of between two and three kilometres. This is because in the rural areas a radius of 600 metres is such a small area that you may actually find that it is only Dr. Kibunguchy who owns the entire land covering that radius. Therefore, when you say that there is a programme called *Umeme Pamoja* where people living within the radius of 600 metres pull together, then within those rural areas, the programme becomes meaningless.

We want to appreciate and congratulate the Ministry and, indeed, the Government for spending so much resources in connecting the rural areas. However, in order for it to be of greater benefit to more people in the rural areas, we need to expand the range of coverage from a radius of 600 metres to, say, two-and-a-half to three kilometres so that more and more people can be connected. I believe it will also help the Government and the company because those people who will be connected will, obviously, be required to pay some money to the utility company.

Mr. Temporary Deputy Speaker, Sir, when I look at the Supplementary Estimates, I feel that the Minister for Finance should explain to this House why it is that in June, last year, when he presented the Budget Speech, he made no provision within the Item: "Purchase of Specialised Plant Equipment and Machinery" for the Cabinet office to the extent that, suddenly, as if in an emergency, he now requires this House to approve a sum of Kshs252 million for the Cabinet Office for the purchase of the same. We have raised these issues before. The Cabinet office existed even before June, 2006. Had there been need for them to purchase anything that is "specialised" it ought to have been provided for. We want the Minister to explain to us what it is that he wants to purchase for that office.

With those few remarks, I beg to support.

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Thank you Mr. Temporary Deputy Speaker, Sir, for an opportunity to contribute in support of this Motion.

Mr. Temporary Deputy Speaker, Sir, I just want to touch on a few points contained in these Supplementary Estimates. The first issue is that of infrastructure. Roads in this country remain in an unsatisfactory state. We need to see that money is allocated for road maintenance, while new roads are constructed. This will ensure that some of the roads that already exist are not let to go to waste to the extent that we will have to reconstruct them. Maintenance will save a lot of reconstruction money.

Mr. Temporary Deputy Speaker, Sir, for those of us who come from the west - I believe this includes Nyanza Province - the roads are quite bad. This is the case whether you are talking of road through Kericho to Kisumu or the highway through Timboroa Forest. The only good road that there was through Mr. Biwott's region, is also now getting rapidly dilapidated because of heavy traffic. This money can go a long way in repairing some of those roads.

Indeed, I can see some Kshs600 million provided to the Ministry of Transport for railways. It is now over one year since we started hearing of a company called "Rift Valley Railways". This company is supposed to have won a tender to take over the running of the Kenya Railways. One of the ways of easing pressure on roads is to have a working railway network. Transportation of heavy goods and fuel, where the pipeline is unable to cope, should be done by railways. If these people, who run the Rift Valley Railways, are unable to actualise the contract that they got to run our railways, then we should reconsider it and get a new team. The Railway has always been transport facility that saves the roads from damage. We have always had problems with axle road weight, which destroys roads when we have an idle railway system. This is something we should look into.

Mr. Temporary Deputy Speaker, Sir, on electricity, I would first want to congratulate the Ministry of Energy for the good work they are doing on rural electrification. Everywhere you go around the country, there is at least some work going on. I believe in the next Budget, we should

give the Ministry more money. If we want the rural areas of this country to develop to the same level as the urban areas, it should be a policy that every secondary school is provided with electricity, as a minimum. In this way, the children who go to such schools will benefit from modern technology.

Mr. Temporary Deputy Speaker, Sir, I want to join Mr. Angwenyi in what he said. At this day and age, 43 years after Independence, what are those white people doing at the Kenya Power and Lighting Company (KPLC)? We have enough local engineers, managers and accountants. These are people who have turned round local institutions. We can showcase Mumias Sugar Company and the Kenya Airways. Why would we, at this day and age, hire white people, foreigners whom I believe we are paying three to five times more than we pay local managers, to manage the KPLC?

*(Applause)*

I think it is time we told those white people to pack up and go, then hand the management of the KPLC to local boys and girls who have the capacity to run it.

Mr. Temporary Deputy Speaker, Sir, I support the establishment of a Geothermal Development Company. This is for the simple reason that this country has a capacity of up to 3,000 megawatts of geothermal reserves. If we have a company that can focus on the development of geothermal power, it will be a boost to our electricity generation.

Mr. Temporary Deputy Speaker, Sir, let me turn to the issue of teachers. We have given free primary education to Kenyans. However, many places, including my constituency, Sirisia, suffer from a very acute shortage of teachers. As a result of the high enrolment, you will find a school with three streams having just about---

*(Loud consultations)*

Mr. Temporary Deputy Speaker, Sir, could you protect me from the hon. Members in that corner?

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, hon. Members! Order, Mr. Tuju! I must hear what Mr. Wetangula is saying, but I cannot do so under these circumstances! You are, therefore, kindly advised to consult quietly.

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Thank you Mr. Temporary Deputy Speaker, Sir. That is my very competent Minister.

Mr. Temporary Deputy Speaker, Sir, I was talking about teachers. To make free primary education meaningful, we need to hire more teachers, and send them to schools. You can go to a school with three streams in each class from Class I to Class VIII and find seven or eight teachers. Most of the time the children, who go to school to benefit from free primary education, end up playing and going back home without receiving meaningful teaching.

Mr. Temporary Deputy Speaker, in the next Budget, instead of constantly flogging this issue of unpaid salaries to teachers, we need to have money---

**Mr. Twaha:** On a point of order, Mr. Temporary Deputy Speaker, Sir. My learned friend made a remark that white people should pack up and go. We accept that non-citizens should not be given preference for jobs over citizens. However, is it in order for the hon. Assistant Minister to use the Floor of the House to incite racial hatred? Just the other day, Ugandans were burning each other!

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Mr. Temporary Deputy Speaker, Sir, first, the hon. Member is not my learned friend because he is not learned. Secondly,

he obviously did not hear what I said. I talked about white people managing the KPLC. I did not talk about white people in general!

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

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, Capt. Nakitare! Wait a minute.

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Thank you Mr. Temporary Deputy Speaker, Sir, for protecting me.

**The Temporary Deputy Speaker** (Mr. Khamasi): Capt. Nakitare, Mr. Wetangula is responding to a point of order that has been raised. Therefore, you cannot raise another point of order right away!

**The Assistant Minister for Foreign Affairs** (Mr. Wetangula): Mr. Temporary Deputy Speaker, Sir, I would be the last person to resort to any racial bigotry. All that I said is that we have enough qualified local boys and girls to run the KPLC. We do not need expatriates there. If that makes my friend a little comfortable, I will say it.

Mr. Temporary Deputy Speaker, Sir, I was saying we need more teachers in schools. I think I have made the point.

On the issue of security, what has been going on in Mt. Elgon has brought some shame to us. People have been killed and displaced. Today, I have more than 6,000 displaced families from Mt. Elgon dotting my constituency, Mr. Wamunyinyi's Kanduyi Constituency, Bumula Constituency and Kimilili Constituency.

I believe that we have the capacity to go to Mt. Elgon and disarm those thugs called "Sabaot Land Defence Force. They have even been seen on television wearing military fatigues and causing mayhem. The Ministry responsible for internal security should take up this issue.

Mr. Temporary Deputy Speaker, Sir, on the issue of debt management and debt service, many of our neighbours have been given debt cancellation and relief. I think it is time that Kenya also campaigned to get debt relief. Let me take this opportunity to congratulate and thank the Government of Italy which recently gave us a debt conversion of Kshs4.2 billion to transform from debt to development which, I believe, will go a long way in easing our burden. Equally, I want to congratulate my own Ministry for prudent management of funds to the extent that we have saved enough money to be able to open four new missions which we are opening soon in Ireland, Spain, Kuwait and Seoul Korea. We have also saved enough money through prudent management, to be able to purchase several properties in some of our missions that have been renting them over the years. If that could be done across the board in other Ministries, it will help the Government, in not only saving money but also expanding the horizon in more ways.

With those few remarks, I support this Motion.

**Mr. Gumo:** Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me a chance to contribute on this Motion. I will begin by congratulating the Minister. Since he took over, he has done his best. He has tried. When you walk around the country, you can see that there is some tangible development going on. He has tried to put money everywhere and that is very good. The only thing that he has not done is that he has not included other people from other communities, so that he is not blamed for--- Today, even if you wanted a Phd Degree holder from Turkana, you can get him/her. So, the Minister should try to get people from other communities to assist him at the Treasury. Otherwise, the Minister has done very well.

Mr. Temporary Deputy Speaker, Sir, we only talk of trunk roads and highways, but roads in Nairobi are in a pathetic condition. I am sure most of you, since you got loans to buy houses in Nairobi and you now reside in Nairobi, must be having a lot of problems to get to your homes. It is long since money was allocated to the Nairobi City Council (NCC) or the Government took it upon itself to construct roads in Nairobi. The roads in Nairobi are so bad that sometimes, for us who are Members of Parliament for Nairobi, we are embarrassed and do not know what to do. Nairobi



contributes nearly 60 per cent of the Road Maintenance Levy Fund (RMLF) in this country but what we get is less than 5 per cent. The Minister should, at least, look at it so that if he could give us only 20 per cent of the RMLF, I am sure the roads in Nairobi will improve a lot.

Regarding water and sewerage, the population of Nairobi within the last ten or 15 years has tripled and the water and sewerage pipes have not been changed since then. Where one person used to live in one residential house, today we have 30 to 36 families living in that compound. One acre today is accommodating nearly about 40 to 48 families and the infrastructure has never been improved. The roads have never been built.

Mr. Temporary Deputy Speaker, Sir, if you go to Milimani, Riverside, Westlands, Kitisuru and Gigiri, there are many small rivers and small bridges which were constructed in the early 1960s and 1970s. Those are small bridges which do not even cost much. They would cost maybe Kshs5 million or Kshs10 million. But because of those bridges not having been constructed to accommodate traffic moving from Yaya Centre to Kileleshwa, you have to go either through James Gichuru Road or come back to town. That is what is causing traffic jam. So, if the Minister could allocate some money so that those roads could be done and bridges built, the traffic congestion in this city will not be there. There is congestion because there are no connecting bridges from one area to another.

In Nairobi, every now and then, whenever there is little rain, there are floods. This is because the drainage system has blocked and the Nairobi City Council (NCC) does not have enough money. The Town Clerk of NCC has tried to do his best. If you look at Nairobi now, it has improved a lot because of him. He only needs a bit of political support. I give him that political support, but the Government needs to do the same, and Nairobi will be the way it used to be in the early 1950s. He is doing his best but he is lacking support. In this country unless you have political support, you cannot do much. He is trying his best. If the Minister can allocate him enough money, I am sure Nairobi will look much better than it is today.

Mr. Temporary Deputy Speaker, Sir, I was in Kenyatta National Hospital (KNH) the other day. One of my constituents had a road accident and I went to visit him. Before, I had not realised that you have to pay a lot of money in KNH to be admitted. That particular person stayed in KNH for six hours because he did not have Kshs200 for registration. They could not even attend to him because he did not have Kshs200 in his pocket. Even after paying the amount, he had to pay another Kshs300, another Kshs3,000 and another Kshs8,000. In total, for him to be admitted, he had to pay about Kshs11,000 to be admitted in KNH. Here we are being told everyday that medical service in Government hospitals is free. How many people in this country can afford Kshs10,000 in order to be admitted in hospital? Something must be done. The amount of money they ask for, no ordinary person can afford.

If we really want to give people free medical services, then it must be free or they should be made to pay only a minimum. But to pay Kshs12,000 or Kshs15,000 in order to be admitted and yet you are in pain, and no doctor is ready to attend to you until that money is paid, is unfair. I wish the Minister for Health was here. For me as a Member of Parliament, everyday, when I wake up the amount of money that I give my constituents for payment of medical bills is enormous. It has to be reduced, otherwise, people will keep on dying. They cannot afford it!

Mr. Temporary Deputy Speaker, Sir, supply of electricity in Nairobi estates is not sufficient, particularly in the slums. You must have heard about fires in the slums every now and then, either in Kangemi, Kibera or Mathare. But the fire-fighting vehicles cannot reach there. We need to open up roads in these slums because slums are there to stay and there is nothing we can do about it. The majority of people in this city cannot afford permanent housing. The income is so low that the average income per person in this town is about Kshs4,000 a month and yet, the rent for one roomed permanent house is about Kshs5,000 to Kshs6,000.

Majority of those people cannot afford to pay that rent. They have to stay in the slums. So, we need to put up some facilities in the slums. We should make sure that essential services like roads, water and health facilities are there. The people living in those slums are human beings. They are the ones who make this economy boom. Without the labour that we get from those slums, there is no way a country can grow. We need to improve their facilities. So far, what they earn is not enough to make them live a comfortable life.

Mr. Temporary Deputy Speaker, Sir, I congratulated the Minister and I am sure that, if we gave him support, he can do a lot more. He is a young man and he wants to prove a point. Let us put politics aside. If somebody is doing a good job, let us support him or her. If we support some of the Ministers who are doing a good job, I am sure we will get very far. Let us not just criticise for the sake of doing so.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Mr. Khamasi): Order, hon. Members! In the next two minutes or so, the time for replying will be due. I am advised that the Minister will not be ready until 6.15 p.m. In that regard, I will allocate five minutes to the following: Messrs. Kipchumba, Obwocha and Prof. Anyang'-Nyong'o, in that order.

**Mr. Kipchumba:** Thank you, Mr. Temporary Deputy Speaker, Sir, for that generous time. I want to support this very important Motion. Probably, I would like the Minister to explain the following. When an economy is doing very well, and I believe it is to the extent that we hope it will grow by more than 6 per cent, we expect revenue collection to go up. But when our projected revenue goes down by Kshs5.9 billion, it is quite interesting and difficult to understand. Probably, I want the Minister to explain to us whether there are other problems associated with revenue collection. If there are, probably we need an audit to find out why, indeed, we cannot surpass the target that has been set, when the economy is doing very well.

Mr. Temporary Deputy Speaker, Sir, on many occasions, we have said that the issue of pension is very critical. If we continue paying pension in this country--- Currently, I believe we are paying a pension portfolio of about Kshs20 billion. In the next few years, we will probably be paying a pension portfolio to the tune of about Kshs100 billion. Our economy cannot sustain a pension portfolio of that magnitude. Therefore, I would like to request the Minister for Finance to urgently consider bringing to this House a Bill that will allow all workers in this country to contribute towards their pension schemes. If we cannot start a contributory pension scheme, we will reach a dead end in terms of managing and financing our pension. Therefore, if the Minister could consider - maybe, in the next financial year, to bring that Bill, this House will consider and pass it very quickly.

An hon. Member has raised the issue of Kenya Electricity Generating Company Limited (KenGen). The explanation that has been given is not right. In the KenGen prospectus, we were told the prices at which it will sell its products and how much it was going to buy from Kenya Power and Lighting Company (KPLC). It is not right to tell us that, since the negotiations collapsed, the Government will subsidise the 60 cents. I want to believe that, in as much as we want to reduce the cost that is borne by the consumer, every sector will demand that its products be subsidized. Kerosene, for example, is one of the products that is most consumed by Kenyans, as opposed to electricity. How many Kenyans have electricity in their homes? Very many Kenyans use kerosene. Therefore, it would be prudent to subsidize any product that really affects--- A product like *unga* that many of us--- In fact, what is better to subsidize? Is it *unga*, sugar or electricity? We must be very honest that we are trying to help the consumers. We are, in the same breadth, assisting the shareholders of the KenGen. In the prospectus, we were told that KenGen will sell its products at a certain price and buy power from KPLC at a certain rate. So, it was dishonest for them to have produced such a prospectus.

Mr. Temporary Deputy Speaker, Sir, the issue of interest rates is very critical to this country. We are now overlooking that we are paying Kshs4.6 billion in terms of interest. But, if we continue borrowing from the domestic market, and given that the revenue that we are collecting probably will continue to go down--- Last year, I said that Kenya Revenue Authority (KRA) has probably reached its peak in terms of revenue collection. If they cannot collect and surpass the target that they have been given, even the 1.5 per cent that they have been given now, it should be reduced. I raised that issue - that KRA was given a 1.5 per cent target for a very huge amount of money. In 2002, 1 per cent of Kshs300 billion was a low figure. If we now collect Kshs500 billion, 1 per cent of the same will be quite a lot of money. We must re-consider whether we should continue giving KRA that kind of target given the kind of money it is collecting. If they cannot spend all the money, what will happen?

With those few remarks, I beg to support.

*[The Temporary Deputy Speaker  
(Mr. Khamasi) left the Chair]*

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

**The Minister for Planning and National Development** (Mr. Obwocha): Thank you, Mr. Temporary Deputy Speaker, Sir, I will use my five minutes to make the following points.

First, an hon. Member raised the issue of Vision 2030. We are at the initial stages. The consultants have now come up with the evaluation of the sectors. We have come to the stage of knowing who will be involved. That is why the Minister has proposed a budget for the National Economic and Social Council (NESC).

Mr. Temporary Deputy Speaker, Sir, secondly, Kenyans should stop referring to the poverty figures of 1997. We should look at the current figures which show where we are at the moment. Those figures should show the welfare of Kenyans at the moment.

Thirdly, this country should really try and exploit its natural resources on geo-thermal energy. Currently, this country is at 1,100 mega watts. We should move towards 2,000 mega watts or 3,000 mega watts. That is the only way we can industrialise. Ethiopia has a project which will produce 1,875 mega watts. That is almost double where we are. Since their capacity in industrial development is not so much, we should be thinking about importing some of that power.

Mr. Temporary Deputy Speaker, Sir, fourthly, Kenyans need to know that we need to change our passports to the new system that will be accepted internationally. If we do not do that by 2009, and stop pasting photographs on papers, we will be locked out.

Mr. Temporary Deputy Speaker, Sir, the other issue that I would like to address is the procurement process. We get money from donors and those people who want to assist us, but the process takes too long. A road project, for example, takes two years to start after signing the documents for the release of the funds. I think Parliament needs to look at the period the procurement process takes.

I would like to congratulate and commend the Kenyan taxpayers for raising the revenue from Kshs180 billion to a figure which is in excess of Kshs300 billion.

On debt relief, we need to think again. Nigeria's half-debt of Kshs17 billion was written off and yet, our domestic and external debt right now, as it stands, is only US\$11 billion. We need to really address this issue.

Mr. Temporary Deputy Speaker, Sir, the other thing that I want to address, is the issue of our embassies. We should take the example of the Kenyan Embassy in Ethiopia, where the

chancery is at the same place with the Ambassador's house. These embassies should operate in one environment. A lot of money is spent on rent and hiring buildings. We should ensure once and for all that our embassies have permanent buildings where they can operate from. We all know what the former President of Uganda, Idi Amin, did in New York. If you go to the United Nations (UN) you will find that the next building is Uganda House, which was acquired by Idi Amin. I think Kenyans have been sleeping all-through. How much money they are collecting and saving is obvious.

Mr. Temporary Deputy Speaker, Sir, I was fairly delighted when I saw that under the Rural Electrification Programme (REP), we had given the Kenya Power and Lighting Company (KPLC) over 120,000 projects to undertake. So far, it has undertaken 100,000 connections. So, during this quota, it should be undertaking another 20,000 or 30,000 connections. This is very good performance. I hope the Minister for Energy will push the KPLC to complete the 940 projects that we promised the people of this country in every constituency in the country, without discriminating anybody, so that Kenyans can have access to electricity.

Otherwise, I want to commend the Minister for Finance for bringing these Supplementary Estimates, particularly, on the Strategic Grain Reserve, disaster relief and other areas that have been affecting us.

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

**Prof. Anyang'-Nyong'o:** Mr. Temporary Deputy Speaker, Sir, I am always perplexed in this House when we stand up and applaud when we are asking for a paltry sum of money like Kshs13 billion, in a country that prides itself to be a magnet for development in Africa. That is peanuts!

When I look at the revised Consolidated Fund Services estimates and realise that we have a total of Kshs73 billion to pay interest and debt redemption, and I ask a Minister how much we earn from exports in the same period, then I get really worried that what we are paying in terms of interest for both domestic and external debt, and debt redemption, cannot even be redeemed by our earnings from our exports. That is interest alone.

Mr. Temporary Deputy Speaker, Sir, when I look at my books and see what is earned by the Kenya Ports Authority (KPA) in Mombasa, what is finally banked by the Minister in the books of Government and what is wasted at that Port, then I say that really, if that was done properly, the Minister would not be coming to this House to ask for some money from us as Supplementary Estimates, notwithstanding the fact that the money is so little that it is not worth wasting the time of the Members of Parliament asking for it in the first place. The wastage in Mombasa Port, were it to be taken into account would, more than four times, cover for the kind of money the Minister is asking for.

In other words, I would expect the Minister, before the Budget this year, to bring to this House a Sessional Paper on debt, aid and development, for the hon. Members of Parliament to understand exactly what predicament this country is in, in terms of useless debts that we are paying back; debts which never financed any development in this country and which, indeed, are a burden on the shoulders of Kenyan people, because of mismanagement. What we need in this Government is not debt calculation or that kind of thing, but proper debt management. If you are doing business in capitalistic societies there is nothing wrong with being in debt. In fact, being in debt is part of business. I do believe that any Government has a right to be in debt. Even the United States of America (USA) is in debt. But the most important thing is how you manage your debt and what you use that debt for. The verdict in the history of our Government is that debt has always been incurred for wrong reasons. The money borrowed has never been used for development in this country and, subsequently, the management of that debt is awful. So, the Minister needs to bring to the House a Sessional Paper on debt, aid and development, so that Parliamentarians can understand

the predicament of our country. In presenting the Supplementary Estimates with regard to the Development Expenditure, the Minister partly said: "Having regard to the proposed reduction of Kshs3,240,846,105---". We are reducing the Development Estimates. When shall we develop?

Mr. Temporary Deputy Speaker, Sir, I hear people applauding the Minister for Energy for the good work that the KPLC is doing in supplying electricity. But this is something that was overdue. That is why I was talking about economic recovery. We are recovering from lost ground. We should be chastising ourselves by looking at what was possible 20 years ago.

While on electricity, I have always told the Minister for Energy several times in this House that the quality of service of supplying that electricity leaves a lot to be desired. Electricity is a very sensitive commodity. If you erect a pole which will fall down in a year's time, it is a danger to the citizens. In my own constituency, a young girl aged 16 years was electrocuted recently after an electric pole fell down. The quality of service delivery of this electricity is very important, because electricity is a very sensitive commodity. So, while I would applaud the Minister for recovering lost ground in the beginning to supply electricity to the country, let us, for God's sake, have proper supply of this electricity. Let us give this contract to people who will implement it properly, and not erect poles which will fall down when the rains come. In my constituency, it is raining now as if the rain is going out of fashion, and the poles which were erected are already bending.

With those few remarks, I beg to support.

*[The Temporary Deputy Speaker  
(Mr. Muturi) left the Chair]*

*[The Temporary Deputy Speaker  
(Mr. Khamasi) resumed the Chair]*

**The Minister for Finance** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, I beg to reply. Let me start by thanking the hon. Members for their contribution and all the good words that have been said not just on Treasury, but the wider reforms and activities that the Government is undertaking.

May I also, from the very outset, confirm to this House that I have utmost respect for institutions, including this House. I was a bit taken aback when my colleague and friend, hon. Muite, seemed to give the impression that I do not respect the decisions of this House. I think we will discuss that in a different forum. But I wish to just confirm that I respect institutions and this House more than many others.

Mr. Temporary Deputy Speaker, Sir, I wish to clarify a few issues that hon. Members raised, as the rest was covered in my comprehensive statement, while moving the Motion, in terms of explanation. Hon. Maore did mention that we are emphasizing a lot on the Recurrent Vote.

Mr. Temporary Deputy Speaker, Sir, as I had explained earlier, the extra amount that we require is driven by the needs as I articulated them. Our drive is in moving expenditure from recurrent to development, and as at this point, we have moved from where we were five years ago when we were spending just about ten per cent on development to where we are spending about 23 per cent of our total Budget on development. This is a trend that we intend to continue with because we believe that development is more important than consumption.

Mr. Temporary Deputy Speaker, Sir, I also want to confirm that inflation is now within the single digit figures, both the headline inflation as well as the core inflation. Because of the good rains and harvest, inflation figures are now less than 8 per cent at the headline level. In fact, some estimates for this month will be putting it at about 6 per cent on the overall inflation. That is very good news in terms of the response of the economy to what is happening. We appreciate that

higher producer prices being paid to maize and milk farmers will, obviously, translate into higher prices at the consumer level. But those are things that we need to look at within a bigger picture in terms of higher incomes and see how they mitigate into the longer term.

Mr. Temporary Deputy Speaker, Sir, I am very encouraged to hear hon. Members agreeing that the economy is actually growing, and the effects are visible everywhere. I believe that every hon. Member has been part of this development through the Constituencies Development Fund (CDF), through mobilizing monies at the local level and all those projects that are going on. Some of the comments that were coming here is evidence that hon. Members have actually been monitoring the roads that have been promised and the power and water projects in the rural areas. So long as we continue doing it collectively, then we will remove the wastage that is visible.

Mr. Temporary Deputy Speaker, Sir, I also want to just mention something on the fact that we had not factored in the monies that were due on the Anglo Leasing type of contracts. We took a decision, as a Government, supported by this House through the Public Accounts Committee and the Report that was laid on the Table here, that we should not pay for those contracts until a comprehensive review is carried out to determine which ones are payable and for what purposes and which contract was valid? That is the situation we are taking forward. We looked through the promissory notes and as much as they appear in the contract as irrevocable, from our own investigations, we know that promissory notes may have been shown in the contract but some were not issued. Those that were issued were actually returned and cancelled. So, we are not exposed as a country from that perspective. There are cases, arbitrations and evaluations that are on going in court and hon. Members will appreciate if I do not comment any further. But that is the reason why we have not factored in any payments on those promissory notes because we do not believe that, at this point, we have any evidence to support how much is payable and for what purposes.

Mr. Temporary Deputy Speaker, Sir, I also want to revisit the issue of KenGen, Kenya Power and Lighting Company Ltd (KPLC) and the subsidy. The Minister for Energy explained this issue and for avoidance of doubt, we committed ourselves in December, 2005, through the legal process involving the KPLC, KenGen and the Electricity Regulatory Board (ERB) and they signed a power purchase agreement that said power will be purchased at Kshs2.36 from 1st July, 2006. That is a legally binding agreement and it is in accordance with the law. When we looked at the economy and the way it was working and booming, we said that we, as a Government, do not want that amount to be passed on to the consumers. Looking at it from a perspective of responsibility in order to save the industry, our consumers and to ensure that our producers remain competitive, we decided we would rather absorb that cost ourselves as a Government rather than pass it on to the consumers. It has nothing to do with the shareholders of KenGen or the KPLC. The contract had been agreed on in 2005, and basically what we are saying is that, do not pass this cost to the consumer. Let us, as a Government, absorb that cost. Then, when the tariff studies are out and we agree on what should be passed on to the consumer, which is something which will be agreed on, including by the consumers themselves, then the consumer will pay whatever needs to be paid or get a discount.

**Mr. Syongo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Minister in order to mislead this House? By absorbing that amount, the Government is using taxpayers' funds or money to absorb that cost. But that is a revenue to somebody else and, essentially, therefore, the taxpayers' money is being used to subsidize either the KPLC or KenGen. Is he in order to mislead this House?

**The Minister for Finance (Mr. Kimunya):** Mr. Temporary Deputy Speaker, Sir, I have just explained, in very basic layman's language, what the process is. The taxpayers are the Kenyans themselves; they pay taxes to the Government. What the Government is saying is that, you have a choice! The KPLC can charge an extra 60 cents per kilowatt hour for every person who uses

electricity power. But, as a Government, you have paid us a tax, and we will insulate you from this until a power purchase agreement is in place based on the power tariff study. So, it is an interim measure we are undertaking as a Government. We are not subsidizing the KPLC or KenGen; we are basically saying: "KPLC, do not pass this tax or extra charge on to the consumers until we have the comprehensive power tariff study completed and we know what should be borne by the consumer, what should be borne by the distributor and what should be charged by the generator." That is a very straight forward thing and, I believe, as a responsible Government, we have done what we need to do for our taxpayers by saying that, we will pay it on your behalf.

Mr. Temporary Deputy Speaker, Sir, the other thing I just wanted to mention and which the Minister for Energy alluded to, is that this energy generation and exploration by the Geothermal Development Company is a decision that we took and it is consistent with the Energy Bill that was passed by this House where we are saying: "Let us separate the issue of energy generation from that of exploration." KenGen is now a public and private company and we cannot continue putting in public resources into it in terms of exploration, therefore, we are separating those two functions. That should ensure that KenGen and the KPLC do their core business and, as a public, we have a vehicle to carry out the risky business of energy exploration. After that, tariff can be passed on to the generator.

Mr. Temporary Deputy Speaker, Sir, the other thing I just want to mention is something that hon. ole Metito mentioned. The issue of all these projects we are doing with the CDF, be it health centres, dispensaries or primary schools; it is very good to have these facilities out there because the people need them. But unless we synchronise them with the plans by the Ministry of Education or the Ministry of Health in terms of staffing and equipping, well, we could actually be faced with that real threat of them turning into "white elephants", because we are not quite marrying the Government planning with our own planning as the CDF at the local level.

Mr. Temporary Deputy Speaker, Sir, I also just want to mention the issue of the councillors' pay. I think it was raised here and over the issue of taxation on this pay. This is an issue we are discussing within the framework of the Association of Local Government Authorities of Kenya (ALGAK) and the Kenya Revenue Authority (KRA) and we will be reporting progress on that issue in due course.

Mr. Temporary Deputy Speaker, Sir, I also just want to mention the issue of equity in the distribution of resources and confirm that, never before have resources of this country been so equitably distributed. Let us look at it on a bigger time span than on an annual basis, because a road will be done in one district in one year and on the second year, it will be done in another district. It is not because district "A" has been denied resources, which have been given to district "B", but when you look at the project on a Kenyan map, you will find that there is development going on across the entire country.

The Opposition Chief Whip raised a very important issue in terms of what the Cabinet office intends to spend an extra Kshs270 million on. I would like to confirm to him that out of this amount, Kshs252 million is related to a claim that we are making in terms of determining our 200 nautical miles of the continental shelf. This is work that was done by a Kenyan and we can actually claim an extra 200 nautical miles as part of our zone in the sea. This requires specialised equipment for under sea exploration. That is why we are spending that money because the work is being co-ordinated through the Cabinet Office.

There are a number of other issues that have been mentioned. Some are very clear and straightforward. With regard to increases and allocations in Embu District, it is a very rare case where the contractor has moved ahead of time and requires extra funding. The money is being fast-tracked to pay him by re-allocation from other projects that have not started. We hope that in the long-term, we will have covered the entire road network in this country as we put more money into

infrastructure.

Mr. Temporary Deputy Speaker, Sir, I believe many more issues have been raised. In particular, I liked the suggestion by hon. Gumo about the roads in Nairobi. I would like to assure him that as of tomorrow, we will be launching the construction of the road from the airport to Gigiri. That will ease congestion on Uhuru Highway and other roads. The Ministry of Roads and Public Works gave a blueprint of all the roads that are being done.

Mr. Temporary Deputy Speaker, Sir, the other issue is in terms of tax revenue and the commission payable to the Kenya Revenue Authority (KRA). This House approved that we will be paying up to 2 per cent. It is not fixed. It will be relative to the collection, so we could pay 0.5 per cent in the first year or 1 per cent as the revenue increases.

As a House, we should all support the initiatives that we are undertaking to collect taxes. Last year, if you will recall, we reversed some of the tax measures we had implemented and we lost close to Kshs700 million, which could now have come to finance the development that we need.

Mr. Temporary Deputy Speaker, Sir, if we can work together, and I believe we will, Kenyans are willing to pay taxes if they can see where the money is going--- As a House, it is our responsibility to identify that and hold us to account in terms of ensuring that, that money has been put into use as it should.

Prof. Anyang'-Nyong'o mentioned about the debts. I agree we should not be paying as much debt as we are paying. It is historical. On a net basis, we owe about US\$10 billion. We have to service the debt. I can assure this House that all the debts that have been incurred during President Kibaki's administration, we know where the money has gone, what it is doing and we are very cautious in terms of our review of all the previous debts. There is a quarterly report that is being published by the Debt Management Department, which is a public document, that I would encourage hon. Members to look at. If it is not coming to Parliament, we can make arrangements to make sure that hon. Members see where we are on our public debt at any one time and what our commitments are, so that we can all be very clear in terms of what we owe and what our children will have to pay when all those debts come to question.

Mr. Temporary Deputy Speaker, Sir, those are some of the key issues that arose. I thank the hon. Members for their support and the interest they have shown today. I look forward to the same support when we Table the Appropriations Bill in the next couple of days, once you have given us the authority to move forward.

With those few remarks, I wish to thank the hon. Members and I beg to move.

*(Question put and agreed to)*

## ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Khamasi): Hon. Members, that concludes the business on the Order Paper. The House is, therefore, adjourned until tomorrow, Wednesday, 5th April, 2007, at 9.00 a.m.

The House rose at 6.30 p.m.