

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 15th April, 2004

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

NOTICE OF MOTION

APPOINTMENT OF CONSTITUENCY DEVELOPMENT FUND COMMITTEE MEMBERS

The Assistance Minister for Finance (Mr. Katuku): Mr. Deputy Speaker, Sir, I beg to give notice of the following Motion:-

THAT, pursuant to Section 27 of the Constituencies Development Fund Act, No.10 of 2003; this House resolves that the following Members be appointed as Members of the Constituency Development Fund Committee:-

The Hon. Mohammed Yusuf Haji, MP.
The Hon. Sammy Koech, MP.
The Hon. A.S. Dahir, MP.
The Hon. Henry Kosgey, MP.
The Hon. Jimmy Anguenyi, MP.
The Hon. (Eng.) Muriuki Karue, MP.
The Hon. Adelina Mwau, MP.
The Hon. Raphael S. Wanjala, MP.
The Hon. Lucas Maitha, MP.
The Hon. (Eng.) E.O. Nyamunga, MP.
The Hon. Charles Kilonzo, MP.

ORAL ANSWERS TO QUESTIONS

Question No.007

EQUIPPING OF IJARA DISPENSARY

Mr. Y. Haji asked the Minister for Health:-

(a) whether she is aware

that the Japanese Government assisted in the construction of a new health centre at Ijara; and,

(b) what plans she has to equip the health centre and have it opened to the public.

The Minister for Health (Mrs. Ngilu): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that the Japanese Government assisted in the construction of a health centre block at Ijara. The construction works were completed on 1st November, 2002, at a cost of Kshs6.7

million.

(b) Since the construction component did not include equipment, arrangements are in place to equip the health centre in the next financial year. I have instructed the Provincial Medical Officer, North Eastern Province, to prepare a list of the requirements of the health centre for inclusion in the budget of the Ministry of Health for the next financial year, so that it can be fully equipped. Meanwhile, UNICEF has approved two kits for safe motherhood and midwifery for the centre. A Clinical Officer has also been identified and will be posted to the health centre to assist the two nurses who are currently working there.

Mr. Y. Haji: Mr. Deputy Speaker, Sir, I very sincerely thank the Minister for her good gesture. This is the happiest moment for me and the people of Ijara. I only hope that she will make sure that what she has promised here will be done by the officers who are working on the Ministry's budget.

Mr. Khamisi: Mr. Deputy Speaker, Sir, could the Minister tell the House what the policy of the Ministry is with regard to health centres and dispensaries built by communities in terms of equipping and providing them with medical personnel? Is it an automatic assistance that we should expect from the Government?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, in the past, primary health care was only heard of, but nothing was done about it. However, since we abolished *Harambees* as a way of raising funds by communities, as a Ministry, we have tried to equip and post health care personnel to those facilities.

Maj. Madoka: Mr. Deputy Speaker, Sir, I have been to Ijara and I know that it is a remote area. Could the Minister also provide transport to the people of Ijara?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, the first thing that has got to be done is to ensure that there are roads. Once the roads are in place, then we can provide transport.

Mr. Deputy Speaker: Next Question, Mr. Marende!

Question No.022

CONSTRUCTION OF KIMA-EMMATSU ROAD

Mr. Marende asked the Minister for Roads, Public Works and Housing:-

(a) whether he could inform the House how much money was allocated by the Government for the construction of Kima-Emmatsi Road in Vihiga District following Tender No.HHG/24/95-96;

(b) whether he could indicate the total number of companies which tendered for the project and the criteria used to award the tender to Transnational Construction Company Limited;

(c) whether he is aware that construction work as tendered was not completed and that the contractor abandoned the site after receiving a payment of Kshs18 million before completing 25 per cent of the work; and,

(d) what urgent measures he is taking to ensure that the road is completed.

The Minister for Roads, Public Works and Housing (Mr. Raila): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The Government allocated Kshs18,742,745 to construct Kima-Emmatsi Road, which is a distance of six kilometres, during the 1995/96 Financial Year. The allocation of the funds followed the evaluation of Tender No.HHG/24/95-96 by Vihiga District Tender Board, which recommended the said amount, being the least tendered sum.

(a) The following five companies were pre-qualified to tender for the project:-

Company	Tender Sum (Kshs)
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Gogril Rajode	27,621,494	
Transnational	18,741,745	
Intex	39,217,875	
Hodima	19,452,825	
Blue Line	Did not return tender	documents

Transnational Construction Company Limited was awarded the tender on recommendation by the District Tender Board for being the lowest tenderer amongst the five companies which returned the tender bids.

(c) I am aware that the construction of the road is yet to be completed. However, I am not aware that the contractor [**The Minister for Roads, Public Works and Housing**] abandoned the site after receiving a payment of Kshs18 million before completion of 25 per cent of the work. Records available at the Vihiga District headquarters indicate that the contract was mutually terminated in 2001 by which time 78 per cent of the work had been done and a final payment of Kshs15,334,000 made for the work done.

(d) I have given instructions for a design review to quantify the remaining portion of the road so that fresh tenders can be invited to complete the road project.

Mr. Marende: Mr. Deputy Speaker, Sir, I would like to thank the Minister for the answer he has given, but I am not satisfied with it. I caused a search to be carried out at the Companies' Registry yesterday and, out of that search, it turned out that Transnational Construction Company Limited which was awarded the tender apparently in 1997, was incorporated in the year 1999. Further, it also revealed that the directors of the company are one, James Gitahi Mwangi and George Mwangi.

Could the Minister explain how a company which did not exist in 1997 was awarded a tender and, secondly, could he confirm that, in fact, the chairman of the Tender Board was the then District Commissioner for Vihiga, and now a senior Permanent Secretary in the Government? There was obviously a conflict of interest. Could the Minister clarify these two issues?

Mr. Raila: Mr. Deputy Speaker, Sir, I did not do a search at the Registry, but I would like to thank the hon. Member for having done a search. Maybe there was probably an error at that moment in time. We also know that there were these kinds of practices prevalent at that particular moment in time. However, I do not see any conflict of interest in the DC being the Chairman of the District Tender Board, because at that time the DCs were generally, by law, the chairmen of the District Tender Boards as such.

So, I do not see that there was any conflict at all. I do agree with the hon. Member that there may have been some oversight, but that does not add or subtract from the fact that the contract was done, and was eventually completed by mutual understanding between the District Tender Board and the contractor.

Mr. Kembi-Gitura: Mr. Deputy Speaker, Sir, I would like to ask the Minister what the actual policy of the Government is, on the construction of roads, because only recently he commissioned a bridge on the Makutano-Murang'a Town Road, less than 15 months ago, and the road is now in shambles. It is full of potholes. I took him to that road when it was being constructed. What is the actual policy of the Government when a road which is less than one year since commissioning is full of potholes?

Mr. Raila: Mr. Deputy Speaker, Sir, I said in the past that we inherited a very sorry state of affairs in the Ministry. The road that the hon. Member is referring to was done under the *El Nino* Programme, which was not under the supervision of the Ministry of Roads, Public Works and Housing. It was under the Office of the President. They created what they called the *El Nino*

Monitoring Unit, which had its headquarters at Viewpark Towers. The latter did not have the technical competence to supervise these works.

By the time we took over, the work had already been done. I agree with the hon. Member that it is shoddy work that has been done, but it is something that we inherited from the past but, right now, we are ensuring that work that is being done, must be done by competent and qualified construction companies. We have instituted measures to register all contractors, and to ensure that the contractor is only awarded a contract if he does have the technical competence to do the work to the required standards.

Mr. Akaranga: Mr. Deputy Speaker, Sir, you have heard the Minister say that Mr. Dave Mwangi, who is the current Permanent Secretary in the Office of the President, did not misuse the powers of his office when he was the District Commissioner (DC) in Vihiga. This same officer---

Mr. Deputy Speaker: Order! You are asking me whether I heard the Minister say that? Did the Minister say that?

Mr. Akaranga: Mr. Deputy Speaker, Sir, he said that the DC who chaired the District Tender Board did not misuse the powers of his office.

Mr. Deputy Speaker: He did not misuse his office?

Mr. Akaranga: Mr. Deputy Speaker, Sir, that is what the Minister said.

Mr. Deputy Speaker: Okay. Fine!

Mr. Akaranga: Mr. Deputy Speaker, Sir, this is the DC who destroyed the Maragoli Forest. You have just heard that---

Mr. Deputy Speaker: Order, Mr. Akaranga!

Mr. Akaranga: Mr. Deputy Speaker, Sir, I am just building my question.

Mr. Deputy Speaker: Just a minute! Let me guide you before you go ahead. I am going to give you a chance. Just sit down and I will guide you. The guidance I want to give you is that, here we are not discussing the integrity of an officer. We are dealing with this Question regarding a particular road, and now you are talking about a forest!

Proceed, but tread carefully!

Mr. Akaranga: Mr. Deputy Speaker, Sir, I was just trying to build up my case. I was not talking about the case of the Maragoli Forest, but it was just one of the items which, as hon. Members from that area feel, that the then DC did not do his work properly.

If the DC gave his own company this particular road construction contract, and one of the hon. Members, Mr. Samoei, was recently charged because of certain issues, why can the Minister not ensure that this particular Permanent Secretary is arrested and charged for misuse of his office?

Mr. Y. Haji: On a point of order, Mr. Deputy Speaker, Sir. The hon. Member should either substantiate or withdraw his allegation, because the officer is not here to defend himself. I was the PC there, and I know he did a very good job. Could he substantiate the allegation that he awarded the contract to his company or withdraw it?

Mr. Akaranga: Mr. Deputy Speaker, Sir, I have a record from the Registrar of Companies here.

Mr. Deputy Speaker: Order, Mr. Akaranga! Just a minute! Now you are asking the Minister whether he can cause a public officer to be arrested and charged. On what account?

Mr. Akaranga: Mr. Deputy Speaker, Sir, on the account of awarding his company, which had not been registered with the Registrar of Societies, a job in Vihiga District! You have just heard Mr. Y. Haji say that he was the Provincial Commissioner (PC). He could as well tell us how the Maragoli Forest was destroyed!

(Applause)

Mr. Raila: Mr. Deputy Speaker, Sir, what I said was that there was no conflict of interest in as far as chairing the District Development Committee was concerned. That is what the District Commissioners (DCs) were doing at that time. But, having said that, I have no evidence to show that the DC awarded the contract to his own company. The hon. Member is waving a document! But unless and until that document is tabled here and verified, there is very little ground on which the Government could act.

Mr. Manoti: Mr. Deputy Speaker, Sir, before any project is advertised for tendering, the relevant Ministry does the valuation of that project. But some contractors go ahead and quote below the estimates given by the experts, and the same Ministry awards the work to such contractors. At the end of the period, the Government loses a lot of money because such a contractor never finishes the work. Could the Minister make sure that any contract, which is awarded to any contractor, is within the estimates given by the experts from the Ministry?

Mr. Raila: Mr. Deputy Speaker, Sir, that is exactly what we are doing. There is what we call the engineers estimates, which is an internal guide for the Ministry, so that when we invite tenders, we look at those tenders against our own internal estimates, in order to determine whether the prices are realistic. However, that is a guide just for the Ministry. +What is happening is that, once the bids are invited and the contractors are invited to tender, they are evaluated. Then, the contractor is held at that cost, but within a certain limit that is allowed for variation. That is what we are doing right now, and we are trying to ensure that projects are completed within the estimated sum.

Mr. Deputy Speaker: Last question, Mr. Marende.

Mr. Marende: Mr. Deputy Speaker, Sir, that is a very important road for the people of Emuhaya. I have empirical evidence, including a personal physical visit, that only 25 per cent of the road is complete. Could the Minister agree to visit that road and indicate exactly, in terms of date, when it will be completed?

Finally, I beg to table a copy of the search which I carried out, and which indicates that the Chairman of the District Tender Board awarded that tender to his kith and kin, who were the directors and shareholders of that company.

*(Mr. Marende laid the document
on the Table)*

Mr. Raila: Mr. Deputy Speaker, Sir, for the first one, I have no problem. I am going to verify. It is part of the fact that I have already verified through my officers, and I have the information. But I can undertake to visit the constituency of the hon. Member.

Having said that, the information that is available here shows the directors as Mr. James Gitahi Mwangi and a Mr. George Mwangi. Mwangi is a common name among the members of the Kikuyu tribe. There is no evidence to say that, this Mwangi has any connection or relationship with Mr. Dave Mwangi. It is just like there could be so many Railas and very few Agwambos.

(Loud consultations)

I am saying that unless there is more evidence beyond this, there is very little that the Government can do in this particular case.

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

Mr. Deputy Speaker: No! No!

Mr. Marende: My last question has not been answered.

Mr. Deputy Speaker: It has been answered!

Mr. Marende: In terms of time, when will the road be completed?

Mr. Deputy Speaker: Order, Mr. Marende! You cannot expect the Minister to give you an exact answer. He did answer. I heard him say that he is ready to visit your constituency. Would that not be good enough? From there, you can meet the Minister. The House does not fix diaries.

Mr. Marende: Mr. Deputy Speaker, Sir, I will take it.

Mr. Deputy Speaker: Thank you! Next Question, Mr. Wamwere.

Question No.003

POSTING OF TEACHERS TO MWIRERI
PRIMARY SCHOOL

Mr. Wamwere asked the Minister for Education, Science and Technology whether he could consider sending more teachers to Mwireri Primary School, Nakuru, where three teachers have been assigned to teach six classes.

The Assistant Minister for Education, Science and Technology (Mrs. Mugo): Mr. Deputy Speaker, Sir, I have just talked to the hon. Member and we have approached the Chair. In his constituency, there are two Mwireri Primary Schools. The answer we have here is for one of them but, unfortunately, it is not the one in the Question. We agreed to hold this Question until next week.

Mr. Deputy Speaker: I confirm you are agreeable to that Mr. Wamwere?

Mr. Wamwere: Mr. Deputy Speaker, Sir, yes, we agreed.

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

Mr. Deputy Speaker: Order! I am speaking!

Mr. Wamwere: Mr. Deputy Speaker, Sir, the only thing that I need is the date when I will get the answer to the correct Question next week.

Mr. Deputy Speaker: We will defer the Question to Thursday next week.

(Question deferred)

What is your point of order, Mr. Mwanicha?

Mr. Mwanicha: In view of the fact that most schools lack teachers in the country, is the Assistant Minister in order to answer one Question on lack of teachers in one school?

(Applause)

Mr. Deputy Speaker: You do not have to respond to that! Next Question, Mr. Mwanicha! It is your turn now!

Question No.006

IMPORTATION OF CRUDE PALM OIL

Mr. Mwanicha asked the Minister for Trade and Industry:-

(a) what is the total value of crude palm oil imported into the country for use in the processing of edible oils; and,

(b) which countries is crude palm oil imported from.

The Assistant Minister for Trade and Industry (Mr. Miriti): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The total value of crude palm oil imported into the country for the last three years is as follows:-

In the year 2001, we imported 280,176,993 tonnes at a cost of Kshs7,014,152,874.40. In the year 2002, we imported 282,684,459 tonnes at a cost of Kshs10,033,228,045. In the year 2003, we imported 274,387,473 tonnes at a cost of Kshs10,265,204,204.

(b) The crude palm oil is imported from Indonesia, Singapore, Malaysia and India.

Mr. Mwanicha: Mr. Deputy Speaker, Sir, you have heard the Assistant Minister say that we are spending in excess of Kshs10 billion annually, to import crude palm oil to manufacture edible oils in this country. The conditions in Malaysia and other countries where palm oil is grown are pretty much the same as those found in Kenya. We have the labour to grow palm oil. We have the sunshine and favourable soil conditions. Could the Assistant Minister tell the House what the Ministry is doing, in collaboration with the Ministry of Agriculture, to enable our people to grow palm oil, rather than importing it from other countries? Those billions can develop this country.

Mr. Miriti: Mr. Deputy Speaker, Sir, that is a good question. In 1992, the first seedlings of palm variety contenesa were imported to Kenya from Costa Rica. The seedlings were planted in Mumias, Kenya Agricultural Research Institute (KARI), Alupe and Busia Teachers Training College. In 1999, Food and Agricultural Organisation (FAO) introduced the second lot of oil palm seedlings, where 1,035 pre-germinated seeds were imported from Costa Rica. Those seedlings were planted in Butere-Mumias, Busia, Teso and Bungoma. In 2001 and 2002, the pre-germinated seedlings were propagated and distributed to farmers. The 300 palms planted in 1993 have responded by fruiting bunches of over 15 kilogrammes. These yields confirmed that the region is comparable to that of high producing countries like Malaysia, as the hon. Member has said. Currently, bunches are being harvested and analysis of quality of oil and oil processing is in progress.

Prof. Olweny: Mr. Deputy Speaker, Sir, the Assistant Minister knows very well that this country is capable of producing all kinds of vegetable oil crops. One thing which has undermined the production of vegetable oil crops in this country is the subsidisation of imported palm oil, which is also subsidised in the countries of origin. What is the Government levying on the imported oil? Is the Government imposing any levy, either by way of import duty or tax, on the imported palm oil? That is what is undermining the production of vegetable oils in this country.

Mr. Deputy Speaker: Prof. Olweny, you are not supposed to give us a lecture, but to ask a question!

Prof. Olweny: Mr. Deputy Speaker, Sir, I was building the background to the question.

Mr. Deputy Speaker: You are just meandering. Could you ask your question?

Prof. Olweny: Is the Government levying any duty on imported palm oil?

Mr. Deputy Speaker: Very good. Now, let the Assistant Minister answer.

Mr. Miriti: Mr. Deputy Speaker, Sir, the following import duties were imposed on the different types of crude palm oils. Crude Palm Stearin is 30 per cent, Crude Palm Olien, 30 per cent, Refined Stearin 30 per cent, and Crude Palm Oil is zero-rated.

Prof. Oniang'o: Mr. Deputy Speaker, Sir, crude palm oil is a very good source of vitamin A, a major essential nutrient which many of our children are deficient in. Could the Assistant Minister tell us whether the Government has any plans to ensure processing of this product or they just brought the seedlings here to experiment on Kenyan soil?

Mr. Miriti: Mr. Deputy Speaker, Sir, there are very many companies that are processing

this product. The Government is encouraging production of palm oil crops so that it can be processed.

Mr. Mwancha: Mr. Deputy Speaker, Sir, the Assistant Minister is saying that there are trials going on in the country. For his information, palm oil from Malaysia is originally from Africa. My question is, in the realisation of the fact that a lot of money was being used in importing this vegetable oil, there was an oil crops development project that was started in this country, to develop local sources of crude palm oil including sunflower, simsim, cotton seed cake and all the others. What happened to this project that we still continue to spend Kshs10 billion to import crude palm oil, which we could produce locally?

Mr. Miriti: Mr. Deputy Speaker, Sir, there are so many crops that are being used in the country to process palm oil, including simsim, copra, coconut and many others. As far as the project is concerned, I am not aware.

QUESTIONS BY PRIVATE NOTICE

SHOOTING OF STUDENT BY POLICE

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

(a) Is the Minister aware that on Saturday the

27th March, 2004 at about 4.30 p.m., ten police officers from Kipsigon Police Post in Mt. Elgon shot dead a student by the name of Bernard Chemungu Siyoi in Masaek Village?

(b) What action has the Government taken against the police officer(s) who shot the student?

Mr. Deputy Speaker: Is Mr. Serut there? No! So, the Question is dropped.

(Question dropped)

MEASURES TO CONTAIN FLOODS

Mr. Kamama: Mr. Deputy Speaker, Sir, I beg to ask the Minister of State, Office of the President, the following Question by Private Notice.

What contingency measures has the Minister put in place to address the impending floods and disasters during this year's long rains?

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

The Government has put in place several measures to address the current floods and other disasters. It has requisitioned 8,320 90 kg bags of maize, 2,080 90 kg bags of beans and 4,714 cartons of vegetable oil in aid of flood-prone districts. An Authority to Incur Expenditure (AIE) of Kshs1,040,000 for secondary transportation has also been provided.

Secondly, the Rapid Onset Disaster Committee has also developed a contingency plan of a worst case scenario of 60,000 people being displaced by floods. The Committee has carry-over stocks held at the Kenya Red Cross Society warehouses of 9,656 blankets, 8,422 tarpaulins, 10,208 mosquito nets and 48,029 bars of soap worth Kshs15,744,078.

Thirdly, all the district disaster management committees have been activated and have been asked to mobilise communities to form committees to assist in the event of a disaster occurring.

Fourthly, the National Youth Service are also involved in the construction and rehabilitation of dykes in Budalang'i, Busia District. Three big dykes were commissioned on 16th March, 2004.

Mr. Kamama: Mr. Deputy Speaker, Sir, you will agree with me that floods have become a national ritual in this country and the tragedy about this Government is that it is re-active instead of

being pro-active. As I speak now, some parts of this country are not accessible.

I am happy that the Assistant Minister is trying to address the issue of floods in some eight areas in this country. But in some places, like in the North Rift, where I come from, communication has been cut off and people have been displaced by floods. In fact, even a former Member of Parliament lost 250 goats in my constituency. I cannot even access my constituency because River Endao, which passes between Kampi ya Samaki and Marigat townships, is full with flood water. My people cannot go to Turkana or Marakwet districts to get food. What is the Assistant Minister doing about these isolated places?

Mr. Tarus: Mr. Deputy Speaker, Sir, the original Question dwelt on the plans put in place to address the impending floods and disasters. The problems indicated by the hon. Member are much broader than we planned for initially. But I want to say that the Government has, in its programmes for the ASAL regions and areas prone to these disasters, plans to provide services including planning for opening up those areas through development of bridges and provision of safety measures.

Mr. Omondi: Mr. Deputy Speaker, Sir, every time we hear the Government talk about floods, it is only in Nyando and Budalang'i areas. What plans does the Government have to manage floods which are usually in urban areas, like Nairobi? This is because every time we have floods in the country, we are also affected in Nairobi because river banks burst and this water flows and submerges houses in very many places. Could the Assistant Minister tell us what plans they have to manage such floods?

Mr. Tarus: Mr. Deputy Speaker, Sir, we earlier indicated that the Government has planned to establish a National Disaster Management Authority to address all these problems as they arise across the country, and Nairobi is one such area which will be handled once we have this authority in place.

Mr. Mwandawiro: Mr. Deputy Speaker, Sir, the Question is about disasters. As I talk, in Taita Hills after this rain, many places will actually be unaccessible. The roads have been cut off and even the road from Voi to Wundanyi Town is almost cut off completely. All areas cannot be reached. What is the Ministry's understanding of the word "disaster"? There is a disaster now in Taita Hills!

Mr. Tarus: Mr. Deputy Speaker, Sir, without going into the definition of the word "disaster" because that would be academic, the basic understanding is that "disaster" refers to common issues such as displacement of people as a result of floods or any form of disaster that makes human habitation a problem. I want to say that other than the issues highlighted earlier, the Government is also in partnership with other stakeholders to identify disaster-prone districts and implement relevant programmes in those areas to mitigate the said disasters.

Mr. Ogur: Mr. Deputy Speaker, Sir, I appreciate very much the help the Government gives to affected areas including Nyatike. However, they come rather too late. I always hear Budalang'i or Ahero areas but not Nyatike where River Kuja comes with fury and a lot of water from Kisii Highlands and when it is about to get to the lake, it becomes mud and covers all the villages along Lake Victoria. It sweeps everything including houses. Is the Assistant Minister going to give us food early enough before we starve, noting that we are already in floods? Will you give us food?

*(Mr. Ogur tapped Mr.
Tarus's shoulder)
(Laughter)*

Mr. Tarus: Mr. Deputy Speaker, Sir, the Government has planned food supplies for those

regions. For the initial stages 960, (90-kilogramme) bags of maize and 440, (90 kilogramme) bags of beans, together with 500 tins vegetable oil, will be delivered.

Mr. Kamama: Mr. Deputy Speaker, Sir, I just want to bring to the attention of this House the fact that Baringo East and the entire North Rift is almost cut off. I do not think the Assistant Minister has indicated the plans that he has put in place to address the problems of *wananchi* there.

Secondly, right now and in this case I want to thank Brigadier Hussein Ali who was appointed the other day---. The Commissioner of Police actually airlifted two of my constituents who were victims of cattle rustling. I want to thank the Assistant Minister for that but now that some hon. Members of Parliament cannot even access their constituencies, could he undertake to provide police helicopters to take them to their constituencies? He must answer that one!

Mr. Tarus: Mr. Deputy Speaker, Sir, I think the most important action that the Government should take is to ensure that these people are safe. It is much more important to save the people than to take hon. Members of Parliament by helicopters to those places.

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

DISBURSEMENT OF CONSTITUENCY
FUND MONIES

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

As the Financial Year 2003/2004 is coming to an end on whose Budget a sum of Kshs2 million was to be disbursed to each constituency, could the Minister inform the House when the money will be disbursed?

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

In the Budget for the Financial Year 2003/2004, Kshs2 million for each constituency was factored under the Vote of the Office of the Vice-President and Ministry of Regional Development, D09. However, in the Supplementary Estimates to be presented to this House next week, the amount was increased to Kshs6 million per constituency and moved to the Vote of the Ministry of Finance because all we need to do is to transfer the funds into the Constituency Development Fund account.

During the hon. Members' of Parliament *Kamukunji* held two days ago, Tuesday, 13th April, 2004, I informed hon. Members that the funds will be disbursed as soon as the legal formalities set out in the relevant Acts have been complied with. I wish to confirm that this will be done well before the close of the Financial Year.

(Applause)

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

Mr. Kagwe: Mr. Deputy Speaker, Sir, I wish to thank the Minister for Finance for this well thought out answer. However, given the fact that we only have two and half months to the close of the Financial Year, could the Minister clarify which account this money will be sent to and that, indeed, even if we get to the end of the year, the money will not be returned to the Treasury?

Mr. Mwiraria: Mr. Deputy Speaker, Sir, I have answered but maybe for the benefit of the Questioner, I will repeat the answer. The account of the Constituency Development Fund will be held by the National Assembly. What is even more important is that, I am happy to note that today this National Assembly has started nominating its hon. Members to the National Committee which will make things move fast.

Mr. Deputy Speaker: Very well! Next Question!

OUTBREAK OF CBPP IN
TANA RIVER DISTRICT

Mr. Wario: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Livestock and Fisheries Development the following Question by Private Notice.

(a) Is the Minister aware of a Contagious Bovine Pleuropneumonia (CBPP) outbreak in Tana River District?

(b) Is he further aware that the vaccine production plant at KEVEVAPI has broken down?

(c) What immediate measures is the Minister taking to ensure that either KEVEVAPI is operational or that the CBPP vaccine is imported?

(d) Could the Minister consider compensating those people whose livestock have died due to lack of vaccine?

The Minister for Livestock and Fisheries Development (Mr. Munyao): Mr. Deputy Speaker, Sir, I beg to reply.

I am not aware of any current CBPP outbreak in Tana River District.

The last outbreak of CBPP was reported in the District on 31st July, 2000 in Garsen Division and appropriate control measures which included vaccination and quarantine were effected. The disease was controlled and the quarantine was lifted on 17th July, 2002.

(b) This question does not relate to me because KEVEVAPI is under a different Ministry and my Ministry has, therefore, rerouted it to that Ministry.

(c) KEVEVAPI is currently not under my Ministry, but I would wish to comment on the importation part of vaccines. KEVEVAPI was commissioned to produce vaccines using local materials which are relevant to isolated viruses in our local environment. Therefore, imported vaccines cannot be guaranteed to work in our local conditions. It is important to empower KEVEVAPI to produce vaccines for our local use rather than imported vaccines. However, in case of emergency, vaccines can be imported for short-term use.

(d) As I have already stated in "a" above, the last Contagious Bovine Pleuropneumonia (CBPP) outbreak in Tana River District was cited in the year 2000 and, therefore, I am not aware of any livestock deaths. However, the Animal Diseases Act, Cap 364, does not provide for farmer compensation in the event of natural calamity or normal disease upsurge.

Mr. Wario: Mr. Deputy Speaker, Sir, I rise on a point of order, seeking indulgence of the Chair. I am from the constituency. The District Veterinary Officer (DVO) confirmed that the disease outbreak is there. It is only that his hands are tied simply because the vaccine-producing plant has broken down. Secondly, I have asked a Question about livestock diseases. The Minister says he has re-routed this Question to Ministry of Agriculture. I am not interested in crops. So, I am asking for the indulgence of the Chair.

Mr. Deputy Speaker: Mr. Wario, I am taking it that what you have said constitutes a question. So, let the Minister answer. Proceed, Mr. Munyao!

Mr. Munyao: Mr. Deputy Speaker, Sir, I sincerely appreciate the hon. Member's sentiments because his Question talks about livestock. Could he clarify whether he is talking about a DVO or a different person? All DVOs are under my Ministry and I have already talked to them.

Mr. Sasura: On a point of order, Mr. Deputy Speaker, Sir. The Minister seems to be disowning his own DVO. I seek your indulgence on this. Now that the hon. Member from the constituency has confirmed from the DVO that the outbreak of this disease is there and yet, the Minister is denying it, could the Chair direct us on where to go now?

Mr. Deputy Speaker: All the Chair can say is that, indeed, the outbreak of a disease like

CBPP is a very serious matter. Mr. Munyao, could you address yourself to the fact that the DVO has confirmed that there is an outbreak of this serious livestock disease? Now that you say that the last outbreak was on 31st July, 2000, could you clarify this further?

Mr. Munyao: Mr. Deputy Speaker, Sir, I talked to the DVO and he confirmed to me that 60,000 doses of the vaccine were sent to the division on Monday. The vaccines which were sent there were the normal prevention vaccines we normally sent there. The concern of the hon. Member is also our concern. If he had informed me early enough, I would have visited the area first before coming to answer the Question in this House.

Mr. Sambu: Mr. Deputy Speaker, Sir, the availability of vaccines for livestock lies squarely with the Ministry of Livestock and Fisheries Development. Could we be told by the Minister when the vaccines for Foot and Mouth Disease as well as CBPP will be made available, whether through KEVEVAPI or his Ministry?

Mr. Munyao: Mr. Deputy Speaker, Sir, the Chair will have to help me out now. I understand that KEVEVAPI manufactures vaccines for the livestock but, unfortunately, it is not under my Ministry. Therefore, I cannot say when the vaccines will be made available.

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

Mr. Deputy Speaker: Hon. Members, let me help him! Mr. Sambu was very clear that you are the Minister for Livestock and Fisheries Development, charged with the responsibility to see to it that animals everywhere in the country are healthy. Hon. Members are asking you when the vaccines for both Foot and Mouth Disease and CBPP will be available regardless of where they will come from. So, Mr. Munyao, do not address yourself to the issue of KEVEVAPI. Please, address yourself of the vaccines.

Mr. Rotino: On a point of order, Mr. Deputy Speaker, Sir. By the virtue that this Question is very important to us livestock farmers, I seek your indulgence that it be deferred until the Minister is prepared with a good answer to give to us.

Mr. Deputy Speaker: Could you respond to that, Mr. Munyao?

Mr. Munyao: Mr. Deputy Speaker, Sir, I am very prepared to answer this Question. However, when it comes to the issue of KEVEVAPI, my hands are tied because this department is not under my Ministry. I only order for the vaccines from KEVEVAPI and wait to receive them.

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

Mr. Deputy Speaker: Order, hon. Members! The Chair is persuaded that there is need for more research on this Question. Therefore, I will defer it until Wednesday, next week.

Please, Mr. Minister, bring a better answer.

(Question deferred)

Mr. Munyao: Mr. Deputy Speaker, Sir, although the Question has been deferred, I will only come to answer the part which falls under my Ministry. But as far as KEVEVAPI is concerned, I will still find it difficult to answer the Question.

Mr. Deputy Speaker: I think that matter is finished. The Minister will bring a more satisfactory answer on Wednesday.

Mr. Sambu: On a point of order, Mr. Speaker, Sir. Is the Minister in order to say that he will come to answer only the part which relates to his Ministry? You have directed that the whole Question be deferred. Why is he then splitting the Question? Is the Government split?

Mr. Deputy Speaker: Mr. Sambu, the Chair has not split the Question. Therefore, it remains as it is, and it is deferred in toto.

Next Question, Mr. Munya!

ILLEGAL ALLOCATION OF
MAU FOREST LAND

Mr. Munya: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Lands and Settlement the following Question by Private Notice.

(a) Is the Minister aware that Mau Forest is on trust land reserved by the Narok County Council as a water catchment area for the Mara, Enkare Ngiro and the Enkare Narok rivers and tributaries?

(b) Is he further aware that titles to this land have been issued and others are about to be issued irregularly?

(c) What steps has the Minister taken to have these titles cancelled and the culprits involved in these illegal allocations punished?

The Minister for Lands and Settlement (Mr. Kimunya): Mr. Deputy Speaker, Sir, we only received the Question this morning, and it covers an area that requires a lot of investigation to be able to answer it comprehensively. I beg to ask the House to give us some time to be able to give it a comprehensive answer.

Mr. Cheboi: On a point of information, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: The Minister has addressed the Chair. He does not require your information. Mr. Munya, what is your reaction?

Mr. Munya: Mr. Deputy Speaker, Sir, I have no objection to the Minister's request.

Mr. Deputy Speaker: Therefore, the Question is deferred. Mr. Kimunya, when will you answer this Question?

The Minister for Lands and Settlement (Mr. Kimunya): Mr. Deputy Speaker, I will be ready to answer the Question by Thursday, next week.

Mr. Deputy Speaker: This Question is deferred until Thursday, next week!

(Question deferred)

Mr. Cheboi: On a point of order, Mr. Deputy Speaker, Sir. Clearly from this answer, this Question---

Mr. Deputy Speaker: Order, Mr. Cheboi! The Question is not yet before the House!

Mr. Cheboi: Mr. Deputy Speaker, Sir, it is about the Constitution!

Mr. Deputy Speaker: The Question is not yet before the House!

Mr. Cheboi: Mr. Deputy Speaker, Sir, it is about the answer which the Minister will give. There is a section of the Constitution which is very clear.

Mr. Deputy Speaker: Order! Wait until the Question is before the House because it is not yet before the House. You will tell us what you want to tell us now when the Question is brought before the House.

That is the end of Question Time. Let us move on to the next Order!

POINT OF ORDER
INVASION OF MOYALE BY
ETHIOPIAN MILITARY

Mr. Sasura: On a point of order, Mr. Deputy Speaker, Sir. I would like to remind the Chair that following the incident which happened in Moyale District, the Speaker ruled yesterday that the Minister of State, Office of the President in charge of internal security should give a preliminary Ministerial Statement today about that incident.

Mr. Deputy Speaker: Indeed, a Ministerial Statement was to be issued by the Minister of State, Office of the President in charge of internal security today. Could Mr. Tarus respond?

The Assistant Minister, Office of the President (Mr. Tarus): May I, again, apologise to the House because I have an interim Ministerial Statement which does not seem to address the pertinent issues raised by the hon. Members. May I request the House to allow me issue a comprehensive Ministerial Statement on Tuesday next week?

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

Mr. Deputy Speaker: It was Dr. Galgalo who requested for that Ministerial Statement!

Dr. Galgalo: Mr. Deputy Speaker, Sir, while we accept the Assistant Minister's request, I would like to inform him because, apparently, he does not seem to be aware of what is happening in Moyale. Again, about 50 or 60 foreign military personnel stopped two passenger vehicles on the way between Moyale and Sololo yesterday, robbed the passengers, harassed them and, again, abducted a young man. Our fear is that while we are waiting for the Assistant Minister to issue a Ministerial Statement here, nothing is being done on the ground to improve security. Could he not, at least, order our military personnel to move in and secure those areas? What is he really doing? What is he up to?

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, just to address the concerns of the hon. Member, indeed, we do have a detachment of our military personnel at Moyale. We can use them to protect the people and we will do exactly that--

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

Mr. Deputy Speaker: Order! Let the Assistant Minister finish what he is saying.

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, could they hold their horses? The hon. Member had requested me to issue a Ministerial Statement on the security situation in Moyale. I have said that as we take the necessary measures to address this problem, I will make the Ministerial Statement on Tuesday, next week. But to address the concerns of the hon. Member, there are some measures which we can take immediately to address this problem.

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

Mr. Deputy Speaker: I will give you an opportunity to ask your questions. But could you, please, take your seats? The Chair is just perplexed because we have been talking about a security issue where a foreign force is purported to have invaded our country and abducted our people. Before we even get a Ministerial Statement, Mr. Tarus, what interim measures have you taken to restore order?

(Applause)

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, indeed, there were reports that external forces were harassing and abducting our people in Moyale. But when we contacted our security personnel on the ground, they told us that the attackers are not military personnel. Possibly, they are militiamen from Ethiopia.

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

Mr. Deputy Speaker: Let him finish what he is saying. I want him to finish replying to my question.

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, we will use our security personnel to restore order in this particular area. We have made arrangements to provide food supplies to the displaced people.

Maj-Gen Nkaiserry: Mr. Deputy Speaker, Sir, I think the Assistant Minister does not really know the procedure to be followed with regard to international security matters. The first step this Government should have taken was to summon the Ethiopian Ambassador to Kenya and protest to him so that he could call his Minister back home and inform him that there was a problem at the border.

The second step was for the Minister for Foreign Affairs to call our Ambassador to Ethiopia and tell him to report the matter to the Ethiopian Government, which would have by now addressed the issue. The third step was for us to go and rescue our people by force. The Assistant Minister does not seem to understand this. We cannot wait for a Ministerial Statement for too long when our citizens are suffering. I said yesterday that we cannot allow, even for a minute, our citizens to be under siege by people from a foreign country. This Government has completely failed in its primary duty of protecting its citizens!

(Applause)

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, the hon. Member, although a retired Major-General, cannot teach the whole Government what to do.

Hon. Members: No!

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, I would like to say that we have had problems at the border in the past, and it does not warrant us to take a very tough position.

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

Mr. Deputy Speaker: Order!

Continue, Mr. Assistant Minister.

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, we usually give preference to diplomatic approach---

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

Mr. Deputy Speaker: Order, hon. Members! Could you sit down?

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, we have always given diplomatic approach a chance. I have said that there is no indication that those who crossed the border were military personnel from Ethiopia.

I have also said that---

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

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, please, protect me from these hon. Members.

Mr. Deputy Speaker: Mr. Tarus, you are protected! Order now! Let the Assistant Minister finish issuing his statement. Proceed! He must finish!

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

am also a Kenyan and I am equally concerned as they are, about the problems in Moyale. I confirm that we shall take appropriate action.

(Several hon. Members stood up in their places)

Mr. Deputy Speaker: Very well! Last point on this one, Dr. Galgalo!

Dr. Galgalo: Mr. Deputy Speaker, Sir, you have heard the Assistant Minister talk about a diplomatic solution. A military response is required because there is military aggression. That is not a question of diplomacy any more! We have three villages where people have been forced to move out of their homes! Yesterday, about 50 to 60 people in military uniform - and he is saying they are not military - well trained and highly equipped stopped two passenger service vehicles, robbed them, harassed them and abducted more.

Mr. Deputy Speaker, Sir, the Medical Officer of Health (MOH) for Moyale, as we talk now, is being tortured in Ethiopian cells. Yet, all the Assistant Minister can come and say is that he will do some things! What are those things that he is going to do? Why do you not order the military to move in and secure our borders? What is your problem Mr. Assistant Minister? Why do you not move our military there to secure the area?

(Applause)

Hon. Members: Address the Chair!

An hon. Member: Which Chair?

The Assistant Minister, Office of the President (Mr. Tarus): Mr. Deputy Speaker, Sir, may I repeat again that the Government will do all that is necessary to protect its citizens.

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

Mr. Deputy Speaker: Very well! Next Order! Order, Mr. Sasura!

MOTION

APPOINTMENT OF CONSTITUENCY DEVELOPMENT FUND COMMITTEE MEMBERS

The Minister for Finance (Mr. Mwiraria): Mr. Deputy Speaker, Sir, I beg to move the following Motion:-

THAT, pursuant to Section 27 of the Constituencies Development Fund Act, No.10 of 2003; this House resolves that the following Members be appointed as Members of the Constituency Development Fund Committee:-

The hon. M.Y. Haji, MP

The hon. S. Koech, MP

The hon. A.S. Dahir, MP

The hon. H. Kosgey, MP

The hon. J. Angwenyi, MP

The hon. (Eng) K. Muriuki, MP

The hon. A. Mwau, MP

The hon. L. Maitha, MP

The hon. (Eng) E.O. Nyamunga, MP

The hon. C. Kilonzo, MP

Mr. Deputy Speaker, Sir, the Act which established the Constituency Development Fund provides that a National Constituency Fund Committee be established. That Committee will comprise 11 Members of Parliament and eight members from the private sector, representing certain institutions. The institutions have to be approached by the Minister for Finance.

Mr. Deputy Speaker, Sir, this House should approve the list I have just given, so that, at least, the part that falls under the responsibility of this House is taken care of. I want to inform the House that the other eight members were to come from different institutions such as farmers unions and so on. We have already written to those institutions. For instance, we have written to the Supreme Council of Muslims, the Catholic Church, the Institute of Engineers, and we are awaiting for their nominations before we bring them to Parliament for ratification.

Since we are all anxious to get the Constituency Development Fund finalised quickly, so that the money is put in an account, I would urge the hon. Members to approve this list in the course of this afternoon.

With those few remarks, I beg to move.

The Minister for Lands and Settlement (Mr. Kimunya) seconded.

(Question proposed)

Mr. Kipchumba: Mr. Deputy Speaker, Sir, while we are all anxious to have this Committee, and while we have allowed various parties to nominate their Members - and we respect their wisdom - there are Members in this Committee who are also Members of the Parliamentary Service Commission (PSC). You know very well that funds for this Committee will be administered from Parliament. I would like us to give other Members a chance also, so that they can belong to certain committees.

(Applause)

Mr. Deputy Speaker, Sir, I would like to propose that we replace the name of Mr. Angwenyi with that of Mr.---

An hon. Member: A lady!

Mr. Kipchumba: Mr. Deputy Speaker, Sir, the name has to come from FORD(P), which has no lady. I propose that we replace it with that of Mr. Stephen Manoti.

(Applause)

Mr. Obwocha: Mr. Deputy Speaker, Sir, Parliament is run by parliamentary practices. When a list like this comes to the House, it is through thorough negotiations by the Whips of the parties. I am the Whip of FORD(P) and I would like say the following about our nomination.

Mr. Deputy Speaker: But, before you do that, Mr. Obwocha, what Mr. Kipchumba proposed is not procedural because it is a Motion. If you want to propose an amendment, you have to bring it in writing. I have nothing to read, approve and present to this House for debate. So, as we are now, we have no amendment. So, I can only ask you to contribute to the Motion as moved by the Minister. We will do that until such a time that I will get a proposal for an amendment. Right now, I only heard a Member proposing an amendment.

Mr. Obwocha: Thank you, Mr. Deputy Speaker, Sir, for your wisdom. I thought that there was already an amendment to this Motion. I have no problem with Members proposing my colleague Mr. Manoti. But the reasons why we had Mr. Angwenyi is that he was one of the

initiators of this facility to help Members of Parliament. Many of us have been without any development on the ground. The initiators of this facility were Eng. Muriuki and Mr. Angwenyi.

In the interest of FORD(P) as a party, this is the man who can represent us well in this Committee. The Chair knows that in some Parliamentary Committees, like the Departmental Committee on Health, Housing, Labour and Social Welfare, we propose people with the relevant knowledge, for example, doctors.

Hon. Members: What is the problem with Mr. Manoti?

Mr. Obwocha: There is no problem with Mr. Manoti! I am not saying that he does not have that knowledge!

Mr. Deputy Speaker, Sir, it is a party affair. Parliamentary practice demands that the party be represented by the person they have nominated. We had our consultations within the party and we came to the conclusion that hon. Angwenyi was the most ideal person to represent FORD(P) in this Committee.

Eng. Muriuki: Mr. Deputy Speaker, Sir, thank you very much---

(Loud consultations)

There are a lot of consultations!

Mr. Deputy Speaker: Order! Order, hon. Members! Could we hear Mr. Muriuki?

Eng. Muriuki: Thank you, Mr. Deputy Speaker, Sir, for the protection. First of all, thank you for calling upon me to speak otherwise the media were going to report that I have not spoken this whole year; based on the list they drew that I had never spoken and thus I am speaking for the first time since we opened.

(Laughter)

Anyhow, we have made very good progress on the Constituency Development Fund, and as the initiator of the move sometime back, I am quite happy with the progress the hon. Members have made. Members of Parliament have done their bit. Most of them have formed their committees. They have even decided, through their consultations, which projects they require. What we now require is a follow-up so that we can now see the development reaching the *wananchi* on the ground.

Mr. Deputy Speaker, Sir, also through the formation of this Committee, we shall be able to help the hon. Minister for Finance because there are quite a number of approvals which are required to be done by Parliament. Once the Committee is in place, it will be able to scrutinise those proposals and things will move much faster.

Mr. Deputy Speaker, Sir, I will not waste my comments on the nomination by FORD(P) since I think I will leave them alone to do their things. However, there are also a number of peripheral or connected issues. You will recall that, when we had a consultative *Kamukunji* on this matter, there were a number of questions on whether we can do this with the Fund and surely the Constituencies Development Fund Committee---

Hon. Members: *Tosha!*

Eng. Muriuki: Mr. Deputy Speaker, Sir, I can see that hon. Members are very happy about this Fund. Last but not least, this Fund has also been misunderstood because of misreporting by the media and we hope, once we have a Select Committee in place, we shall be able to have a forum through which we shall be able to put the record straight.

Mr. Deputy Speaker, Sir, with those few words, I think it is very timely and I support the

Motion.

The Minister for Roads, Public Works and Housing (Mr. Raila): Mr. Deputy Speaker, Sir, I arise to support the Motion. I want to say that this, of course, is a very important Committee of the House because it is a Committee that is going to oversee the disbursement of the funds.

Mr. Deputy Speaker, Sir, I would like to say this about the list: It is the practice in the Commonwealth, as hon. Obwocha has said, that business is conducted by tradition and in the cases of committees like this, they are usually known by the names of the Movers of the Motions. First of all, this Act should actually be called "Eng. Muriuki Act" because he was the Mover of the original Motion. I would be very happy, if once the Committee is constituted, hon. Eng. Muriuki is then elected automatically as the Chairman.

(Applause)

Mr. Deputy Speaker, Sir, that is the practice in the Commonwealth and that is why it has always been the practice here all the time. However, in the last Session there was a departure from that practice in the sense that I was the person who moved the Motion that created the Parliamentary Select Committee on the Constitution. It should have been completely automatic that I would be the Chairman of that Committee but Members decided to depart from that practice and introduced an election. The House is not merely a rubber stamp of the list brought from the House Business Committee. The House is entitled to look at the list as it is, approve it or approve it with amendments.

Thank you.

(Applause)

Mr. Deputy Speaker: Before I end the issue, I will give the next chance to Mr. Muite, but very briefly, since we do not want to spend a lot of time on it.

Mr. Muite: Thank you, Mr. Deputy Speaker, Sir. When you look at the Motion, it is asking this House to resolve "in accordance with Section 27 of the Constituencies Development Fund". When I was listening to the hon. Member for West Mugirango, hon. Obwocha, his sentiments are, for example, "because the Chief Whips have agreed", this House should simply put a rubber stamp. That is not the position.

(Applause)

The Chief Whips should listen to the sentiments of hon. Members and do proper consultations when they are doing these things. I have a lot of respect for one of the hon. Members here for she is really outstanding but she does not have a constituency; she is nominated.

(Applause)

It is a fact that there are many hon. Members here serving on many Committees. We need to spread out! If you are on other Committees, then give a chance to those who are not on those Committees.

Mr. Deputy Speaker, Sir, finally, on the so-called "small minority parties" or "fringe parties", we are only very important when it comes to voting. We also want representation in these Committees.

Thank you.

Mr. Obwocha: On a point of order, Mr. Deputy Speaker, Sir. Is hon. Muite in order to imply that "small parties" are not being given a chance to serve in the Committees when he knows that, as regards the Parliamentary Select Committee on the Constitutional Review, we were given three slots and surrendered the third slot to this man? Is he in order?

Mr. Muite: Mr. Deputy Speaker, Sir, who is "this man"?

(Laughter)

Mr. Deputy Speaker: Order! Order, hon. Members! It is a fact that consultations are held between parties and these lists are brought here but the final say is with the House. Therefore, I am now holding in my hands a proposed amendment which I would like to give Mr. Kipchumba a chance to move.

Mr. Kipchumba: Thank you very much, Mr. Deputy Speaker, Sir. Just as I had said earlier, I want to propose an amendment to this Motion as follows:-

"THAT, the name hon. Jimmy Angwenyi, MP, be deleted and be replaced with that of hon. Stephen Manoti, M.P. thereof"
I beg to move.

(Applause)

Mr. Salat seconded.

(Question of the first part of the amendment, that the words to be left out be left out, proposed)

Mr. Muchiri: Thank you, Mr. Deputy Speaker, Sir. I wish to support the proposed amendment. It is high time this Parliament took its responsibility. The issue of nominations to Committees has not been fair and transparent. There are many Members of Parliament holding membership of more than three Committees. There are others who are members of Committees that never work. They are moribund and I do not think they will ever work. Given that Mr. Jimmy Angwenyi is a member of the Parliamentary Service Commission which is a very powerful Commission---

An hon. Member: And Energy!

Mr. Muchiri: Mr. Deputy Speaker, Sir, I am also told he is a member of the Departmental Committee on Energy, Communications and Public Works. I think it is only fair that we give that chance to Mr. Manoti.

I am not underestimating the capability of hon. Angwenyi. We know that he loves to raise many points of order, but he is a man we respect.

(Applause)

Mr. Deputy Speaker, Sir, however, I support that we give this chance to another hon. Member of Parliament. I further suggest that the Whips of various parties do have consultations to reconstitute whatever Parliamentary Select Committees that may come up. We are suffering in silence.

Mr. Deputy Speaker, Sir, I beg to support.

Mr. Bahari: Mr. Deputy Speaker, Sir, I would like to support the amendment---

Mr. Deputy Speaker: Order, Members! Are you proposing an amendment?

Mr. Bahari: Mr. Deputy Speaker, Sir, I am supporting the proposed amendment.

Mr. Deputy Speaker, Sir, it is very, very important, having realised that Parliament is the highest institution in this country and that democracy has taken root in this country, that democratisation must also take root in this House.

Like other hon. Members have said, it is high time the Whips and all the others who are involved, internalised the aspect of consultation. This list of names is proof that the aspect of consultation has not yet been internalised. It is only through the mechanism of re-asserting ourselves in this House that we can force the Whips to internalise democratisation of processes in this House.

Mr. Deputy Speaker, Sir, hon. Raila said that we need to go by traditions. Yes, traditions, but the same traditions continue being improved time and again.

Mr. Deputy Speaker, Sir, it is in that spirit that I support the amendment.

*(Question of the first part of
the amendment, that the words to
be left out be left out, put and agreed to)*

*(Question of the second part of the
amendment, that the words to be
inserted in place thereof
be inserted, proposed)*

*(Question of the second part of
the amendment, that the words to
be inserted in place thereof be
inserted, put and agreed to)*

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): Mr. Deputy Speaker, Sir, I propose that I be given a chance to give notice of an amendment.

Mr. Deputy Speaker: Of the same Motion?

(Loud consultations)

Order, Members! I think it is appropriate that I give you all the amendments that I have because I have several draft amendments. First, by Mr. Munya: "That the Motion be further amended by deleting the name of hon. Adelina Mwau---"

Hon. Members: No! No!

Mr. Deputy Speaker: Order, Members! You will get a chance to speak once I propose the amendment.

"THAT, the Motion be further amended by deleting the name of hon. Adelina Mwau and substitute it thereof with the name of hon. William Kabogo".

(Applause)

Order, Members! I still want to read the other one.

"THAT, the name of hon. Adelina Mwau be deleted and substituted thereof with the name of hon. Prof. Christine Mango, MP and that the names of hon. Lucas Maitha and hon. Eng. Nyamunga be deleted and be substituted with the name of hon. Dr. Julia Ojiambo."

These proposed amendments are not signed! Therefore, I have to dispose of these amendments one after the other.

Mr. Munya: Mr. Deputy Speaker, Sir, in view of the other amendments proposed, I wish to withdraw mine.

(Applause)

(Mr. Munya's proposed amendment withdrawn)

Mr. Deputy Speaker: Very well. Mr. Owidi, proceed!

Mr. Owidi: Mr. Deputy Speaker, Sir, I wish to move the following amendment:

"THAT, the name of hon. Adelina Mwau, MP, be deleted from the list and replaced by the name of hon. Prof. Christine Mango, MP."

An hon. Member: A lady!

Mr. Owidi: Mr. Deputy Speaker, Sir, a lady! Hon. Adelina Mwau has no constituency and we are constituting the Constituencies Development Fund Committee.

Mr. Deputy Speaker: Order, Mr. Owidi!

(Laughter)

Order, Members!

Mr. Khamisi seconded.

(Question of the first part of the amendment, that the words to be left out be left out, proposed)

(Question of the first part of the amendment, that the words to be left be left out, put and agreed to)

(Question of the second part of the amendment, that the words to be inserted in place thereof be inserted, proposed)

(Question of second part of the amendment, that the words to be inserted in place thereof be

inserted, put and agreed to)

Mr. Deputy Speaker: Now, next is the last proposed amendment by Mr. Githae. I want to know if it has any seconder.

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): Mr. Deputy Speaker, Sir---

Mr. Sambu: On a point of order, Mr. Deputy Speaker, Sir. Since this Motion was Moved by the Minister for Finance, it is equivalent to a Government Bill. Therefore, is it right for the Assistant Minister to Move an amendment on his own without consulting with his colleagues in the Government?

(Applause)

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): Mr. Deputy Speaker, Sir, we have already consulted and that is why I am standing here.

I wish to draw the attention of hon. Members to the fact that when we were drafting the original Motion, we excluded nominated Members of Parliament from the management of the Constituencies Development Fund. At that time, if you can recall, we said that when it came to nomination of hon. Members to the Committee, we would give Nominated Members the first priority because they have a national constituency.

(Loud consultations)

Mr. Deputy Speaker, Sir, that is what we said in this House.

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

Mr. Deputy Speaker: Eng. Muriuki, what is it?

Eng. Muriuki: Mr. Deputy Speaker, Sir, is it in order for hon. Githae to mislead the House? In fact, there is no section in the Act which says that Nominated Members will be given the first chance.

(Applause)

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): Mr. Deputy Speaker, Sir, I was not talking of the Act. The Act is very clear. I was talking about the sentiments of hon. Members when we were passing that Bill.

(Loud consultations)

Mr. Deputy Speaker, Sir, I beg to move the following amendment:

"THAT the name of hon. Raphael Wanjala be replaced with that of hon. Dr. Julia Ojiambo and the---

Mr. Deputy Speaker: Mr. Githae what are you saying?

The Assistant Minister of Justice and Constitutional Affairs (Mr. Githae): Mr. Deputy Speaker, Sir, also:

"THAT the name of hon. Lucas Maitha be replaced with that of hon. Cecily Mbarire."

(Loud consultations)

Mr. Deputy Speaker: Order! Do we have any seconder?

The Assistant Minister for Finance (Mr. Katuku): Mr. Deputy Speaker, Sir, I beg to second.

I also wish to add one word. In view of what is going on, we are likely to get some interests not represented in this Committee. We are members of parties, which nominate Members to this Committee. If you look at the original list, you will find that the first five names were allocated to the Opposition side while the rest of the six names were allocated to the Government. Within the Government, there are also several interested groups which have to be represented. As you know, NARC has different interests here. The other thing which I would like to point out, in view of what is going on, is that we are also likely to lose track on the issue of gender, which is also very important. As far as I am concerned, I would appreciate even if KANU was to drop some names and substituted them with names of women in this House so that we can be fair in this Committee. I would want to appeal to the House to let conscience prevail.

Thank you, Mr. Deputy Speaker, Sir. **Mr. Deputy Speaker:** Order! Order, Mr. Katuku! I will now propose the Question.

*(Question of the first part of the amendment,
that the words to be left be left out, proposed)*

*(Question of the first part of the amendment,
that the words to be left out be left out,
put and negatived)*

(Loud consultations)

This is the final amendment I will have on this Motion from Mr. Sasura. I will not entertain any more.

Proceed, Mr. Sasura!

Mr. Sasura: Thank you, Mr. Deputy Speaker, Sir. It is very clear that hon. Members are getting very agitated over nomination of Members to various Committees in this House. It is also a fact that most Back-Benchers from either side of the House are not Members of any Committee while some party Whips--

Mr. Deputy Speaker: Could you move your amendment?

Mr. Sasura: I am moving it, Mr. Deputy Speaker, Sir. I would like to move that the Motion be amended as follows:-

By deleting the name of hon. Wanjala and inserting in its place thereof the name of hon. J. Kihara.

(Applause)

Mr. Deputy Speaker, Sir, I am recommending this amendment because appointments are getting unfair by the day and it is only fair since this Committee's Membership does not necessarily have to be composed of Members of Parliament only, we should appoint Members of this Committee from four other institutions, including SUPKEM, the Association of Architects and so on.

Mr. Deputy Speaker, Sir, I beg to move. **Mr. Deputy Speaker:** *Tosha!* Who will second

this amendment?

Mr. Bahari seconded.

*(Question of the first part
of the amendment, that the
words to be left out be
left out, proposed)*

*(Question of the first part
of the amendment, that the words
to be left out be left out,
put and agreed to)*

*(Question of the second part
of the amendment, that the words
to be inserted in place thereof
be inserted, proposed)*

*(Question of the second part of the
amendment, that the words to be
inserted in place thereof be
inserted, put and agreed to)*

*(Question of the Motion
as amended proposed)*

*(Question of the Motion as
amended put and agreed to)*

Resolved accordingly:

THAT, pursuant to Section 27 of the Constituencies Development Fund Act, No.10 of 2003; this House resolves that the following Members be appointed as Members of the Constituency Fund Committee:-

The hon. Mohammed Yusuf Haji, MP

The hon. Sammy Koech, MP

The hon. A.S. Dahir, MP

The hon. Henry Kosgey, MP

The hon. Stephen K. Manoti, MP

The hon. (Eng.) Muriuki Karue, MP

The hon. Prof. Christine Mango, MP

The hon. Jayne Kihara, MP

The hon. Lucas Maitha, MP

The hon. (Eng.) E.O. Nyamunga, MP

The hon. Charles Kilonzo, MP

Next Order!

PROCEDURAL MOTION

EXEMPTION OF BILLS FROM
PROVISIONS OF S.O NO.101A(3)

The Minister for Education, Science and Technology (Mr. Saitoti): Mr. Deputy Speaker, Sir, I beg to move the following Motion:-

THAT, this House orders that the consideration of the Government Financial Management Bill (Bill No.3) and the Privatization Bill (Bill No.4) be exempted from the provisions of Standing Order No.101A(3).

(Loud consultations)

Mr. Deputy Speaker: Order! Order, hon. Members! We congratulate you, Mrs. J. Kihara, but please let the Minister move his Motion!

The Minister for Education, Science and Technology (Mr. Saitoti): Mr. Deputy Speaker, Sir, I had just finished reading the contents of the Motion. But, in essence, this House is being requested to allow exemption from the provisions of Standing Order 101A(3) in respect of these two Bills.

Mr. Deputy Speaker, Sir, allow me to refresh the memories of hon. Members on the contents of Standing Order No.101A(3). That is the Standing Order that requires any Bill to be committed to the relevant Departmental Committee once it has been tabled here. Once it goes there, the Committee is expected to come up with a report. If, indeed, it does not come up with a report after seven days, then such a Bill will then have to be debated.

Mr. Deputy Speaker, Sir, as you know, this Bill was published quite a while ago. It was, indeed, even there prior to the House going on recess *Sine Die*. This Bill was, again, committed to the specific Departmental Committee early this week. So, what is actually being requested here is that, indeed, these two Bills could be exempted from this relevant Standing Order so that it can actually be debated rightaway. However, I must hasten to add here that this can only be done with the leave of the House. It is the hon. Members here who will have to decide whether they actually want to debate these Bills now or not.

Mr. Deputy Speaker, Sir, I must also say that I have had some consultation with the Chairman of the Departmental Committee on Finance, Planning and Trade, and he will be coming to add more substance to this issue; namely that, in the course of the debate, the relevant report will be introduced.

With these few remarks, Mr. Deputy Speaker, Sir, I beg to move.

Mr. Deputy Speaker: Who will second this Motion?

Mr. Bahari seconded.

[Mr. Deputy Speaker left the Chair]

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

Mr. Obwocha: Mr. Temporary Deputy Speaker, Sir, I beg to second this Procedural Motion. In the last Session, our Committee had discussed the Government Financial Management Bill, but we had not completed the discussion and made a report to the House. We have had a

meeting with stakeholder. We have also arranged one or two meetings with the stakeholders of the Privatisation Bill. We would request that, in the normal way that we handle Bills, Committee reports can come at any stage in the Second Reading. I believe that the Finance, Planning and Trade Committee will make its report in due course to the House.

With those few remarks, I beg to second.

(Question proposed)

Eng. Muriuki: Mr. Temporary Deputy Speaker, Sir, I stand to support this Motion.

Mr. Temporary Deputy Speaker, Sir, we have had quite a number of instances where such Motions are brought to the House because the Committee concerned either did not do its work, or the time given was so short, or the amount of work which it was required to do was so much that we get to the stage which we are in now. I, therefore, support the suggestion that the Committee can bring its report at any stage.

However, my observation in the past has been that, as and when the Committee brings its report before the Second Reading, that Committee is, in fact, not able to put into account the views, feelings and suggestions of the hon. Members on the Floor. In my view, the Standing Orders ought to be varied to the extent that the report by the Departmental Committee should ordinarily be brought towards the end of the Second Reading and before we go to the Third Reading, so that the Committee will have had the opportunity to consult the various stakeholders and interested parties and also take into account what the hon. Members would have said in support of the proposed law or part of it.

With those few remarks, I beg to support.

The Temporary Deputy Speaker (Mr. Ethuro): Order, hon. Members! I wish to take the liberty from the Chair just to give you an idea of the consequences of the decision you make. If you approve the Question, then we will have business to conduct. If you do not approve, then we will have no business for the rest of the day. I just wanted you to know that.

(Question put and agreed to)

Next Order!

BILL

Second Reading

THE GOVERNMENT FINANCIAL MANAGEMENT BILL

The Minister for Finance (Mr. Mwiraria): Mr. Temporary Deputy Speaker, Sir, I beg to move that the Government Financial Management Bill (Bill No.3) be read a Second Time.

I want to start from the outset by saying that this is one of the Bills which the Government is bringing to this House in order to enhance financial management in the Government with a view to making sure that the Government expends funds appropriated to it by this House efficiently, effectively and in a judicious manner, in order to make sure that we give the Kenyan taxpayers value for their money.

The principal object of the Bill is to provide for management of Government financial affairs and for other related matters such as accounting for it and auditing it. This Bill will replace parts of the Exchequer and Audit Act.

Mr. Temporary Deputy Speaker, Sir, let me quickly go through the Bill by stating that Part I provides for the short title of the Bill, or the proposed Act as it is supposed to be known after it is passed by this House. Part II provides for the management of Government finances. Here, the responsibilities of the Minister for Finance and the duties of the Treasury are clearly set out. There are also provisions for the Treasury to issue directions to Government officers with respect to the management of Government financial affairs. The Treasury, as has been the case in the past, is also given powers to control certain expenditures. The offices in the Public Service have been provided for, namely, the Office of the Accountant-General, the Director of the National Budget, and the Internal Auditor-General, who will be responsible for managing Government finances on behalf of the Government. The duties and functions of these three officers have been prescribed.

Part III is the one which begins to change the present procedures to the new ones which are prescribed here. Although this part establishes the Exchequer Account, which is expected to hold the Consolidated Fund, the new Bill provides that the Exchequer Account cannot be overdrawn as used to be the case in the past. The second point is that the bank, which keeps the Exchequer Account, is required to render statements to the Treasury showing the amounts of money held in the account, so as to enforce this requirement.

The other issue which this Bill addresses, and was not in the old Exchequer and Audit Act, is to provide penalty for those who breach financial regulations, as has happened in the past. I think it is too fresh in the minds of hon. Members that in the past a Permanent Secretary drew Kshs5.8 billion from the Consolidated Fund without authority of the Controller and Auditor-General, thereby breaching the Constitution. However, the Public Accounts Committee (PAC) of this House could not do anything to him. Under the new law, if such a thing happens people will be sued for criminal offences or handed over to the police. An Accounting Officer is authorised to submit the name of an officer who breaches the financial regulations to the Public Service Commission (PSC) for disciplinary action and, if need be, even to the police for prosecution.

Mr. Temporary Deputy Speaker, Sir, the law is also very specific on how to issue funds from the Exchequer accounts, and on how withdrawals from the Consolidated Fund will be made. This will be made with an approval from the Controller and Auditor-General, which is a requirement of the Constitution. I think that it is important to also say that, in the past Accounting Officers have been over-spending, keeping the over-expenditures' in their desks and bringing them out later as pending bills. In the future, such behaviour will be punishable and could be dealt with by terminating the appointment of the officer, or even getting him sacked as a Permanent Secretary, or from the Public Service. I particularly want to draw the attention of the House to Clause 16 of the Bill, which gives powers to the Treasury to appoint persons to be known as Accounting Officers and to be responsible for accounting for financial services. Under normal circumstances, the Accounting Officers are the Permanent Secretaries, or the seniormost officer in any organisation. They are given letters of appointment by the Permanent Secretary to the Treasury, who, in this Bill, will have power to terminate the appointment and or send an Accounting Officer to the police for prosecution, if he notices that such an officer is breaching the regulations.

The duties of an Accounting Officer are clearly spelled out. They include the fact that it is the duty of an Accounting Officer to ensure that appropriations made by this House are implemented. That means that he or she has to ensure that no expenditure is incurred unless it has been approved by Parliament. He has also to ensure that proper accounts are prepared on time. He has to ensure that proper accounting records are kept, and also ensure that all the contracts made by

his institution are complied with. The Accounting Officer has to ensure that all the proper procedures are followed in the acquisition or disposal of property, and other items for the Government. He should take care, maintain and safeguard Government property.

Clause 18 deals with the discipline of officers in the Government who mismanage finances. The Bill specifically says that any officer who fails to comply with the law or a direction issued by the Treasury, undermines any financial management measures, or controls or permits an expenditure which is unlawful or unauthorised, or is not effective, efficient or economical to be made can be sent to the PSC. Although the Bill does not clearly say the foregoing, it is the disciplining authority. It also states that the Accounting Officer has a right to send an officer to the police if he considers that a criminal offence has been committed.

Mr. Temporary Deputy Speaker, Sir, Clause 19 deals with the discipline and reporting of Accounting Officers. I have already said that in future it will not be possible for Permanent Secretaries to overspend and hide expenditures only to bring them out as pending bills. Doing this will be considered an offence under this proposed law. The Bill also deals with those who collect Government revenue. Instructions clearly spell out how received revenue will be banked and looked after. Item 23 deals with receipt of Government money from State corporations. The Government intends to institute strict measures to ensure that public corporations which have borrowed funds, and which in the past have been unable to pay back, forcing the Government to pay their loans, will be operated in such a way as to ensure that they pay their loans. This will be done by appointing chief executive officers of State corporations, and giving them contracts based on performance.

(Applause)

Any manager who does not perform will not expect to be retained in the Government service. We have a provision to make sure that payments from these institutions, including interest on loans, dividends and other accounts, will be revenue which will go to the Government coffers.

Mr. Temporary Deputy Speaker, Sir, let me refer to one aspect of the Bill which is of interest to august Members. Here, the Bill clearly states that the monies appropriated by this august House can be kept in a special Fund. The Minister is authorised to establish such a Fund. The beauty of having a Fund like the Constituency Development Fund, which we are establishing, is that once monies have gone into that Fund they cannot be withdrawn. They do not go back to the Treasury at the end of the financial year. What is important is to make sure that the money is properly spent for the purpose for which the Fund was established.

The other major departure from the present financial management which is to be found in this Bill is the fact that, we propose that instead of doing one annual set of accounts, in future Accounting Officers and the Government will prepare half-yearly accounts, which will be audited and which will form part of the second half of the year accounts. This is being done in order to make sure that the work of the Public Accounts Committee of this House ceases to become historical. We would like the Controller and Auditor-General's office, which was provided for under the Public Audit Act to be auditing current accounts and handing over his reports to the Finance Committee in the Ministry of Finance, so that when things start going wrong in any Ministry, the Government and Parliament get to know of it, and they can act quickly to stop lapses, which, in the past, have led to the many pending bills, which at the moment stand at about Kshs16 billion. It is for this reason that we wanted to get to grips with accounting systems. This provision is to be found in Section 28 of the Act.

Let me conclude my remarks by making two points. The first one is that the NARC

Government is determined to give the Kenyan taxpayer value for his money. We can only do this if we manage our financial expenses effectively and accurately. In order to do this, we have noticed that in the past most of the funds were being wasted through construction of, sometimes, unnecessary buildings. I think it would be fair for me to say that this nation is littered with many buildings, which were put up purely because they enabled the people responsible for the construction to get kick-backs. It is for this reason that you will find, for instance, another Ardhi House in Kericho, which is as big as the one in Nairobi.

It is for this reason that you will find a Customs post at Oloitoktok, which is the biggest in East Africa and where there is very little traffic between the Kenyan side and the Tanzanian side of Rombo. It is for this reason that you will find many buildings all over the country. We have a good example here. The Central Bank of Kenya put up the Times Towers which it did not need. In future, it is the intention of the NARC Government to make sure that the Kenyan taxpayer gets value for money. We will do this by controlling contracts. Since I see that my colleague, the Minister for Roads, Public Works and Housing is here, maybe I will let him see what he intends to do in this area.

From the Treasury point of view, we intend to change even the procurement rules and regulations, because this is another area where public funds have really been wasted. The old regulations have been such that, if you get three quotations, then you have met the requirements of the regulations, particularly when the amounts are smaller than a given amount. I would like to appeal to the Government officials to be ready to go to court for breaching some of those regulations particularly where they help spend more money than is necessary.

It is true to say that, in the Government of Kenya, we have been spending twice as much buying simple items like water for drinking, exercise books, books for stenographers, pens and pencils as an ordinary Kenyan would spend, and yet the procurement officers are Kenyans who go into supermarkets and buy these things on a daily basis. My appeal is that we should make sure that we spend the barest minimum. We should argue, as we would as individuals, for prices to come down in order to give the Government the best value for its money.

In concluding, let me say that the Government Financial Management Bill, 2004, will help the Government manage better its finances. This Bill will help the Government control the use of its resources better. It will help the Government introduce punishment for any officials who flout financial regulations.

Mr. Temporary Deputy Speaker, Sir, I beg to move.

The Assistant Minister for Regional Development (Mr. Mungatana): Mr. Temporary Deputy Speaker, Sir, I beg to second this Bill.

In seconding it, I would like to first and foremost congratulate the Minister for Finance for the timeliness in his bringing this Bill here. This is a Bill that we require at this time, and it will help shape the financial management and the economy in this country.

When the Minister was moving this Bill, I was reminded of the famous words by a law professor, the late Sir George Rukwaro. When he was writing a book "Law and Development", he said that any development that is acquired in whichever way would amount to a mirage if there is no rule of law. What the professor was saying is that whatever amount of development we have achieved in this country, and we do not have transparency and institutions to manage it, then all will be lost and gone with the wind.

Mr. Temporary Deputy Speaker, Sir, for the first time since Independence, this Government has brought a Bill through the Minister that will control, manage and look after the money that we give Treasury every year. I am particularly moved by certain sections of the proposed Bill, which I would like to strongly support. If you look at Clause 5 of this Bill, officers in Treasury will have

access to all books of accounts in all departments of Government. This clause is particularly relevant, especially in a district such Tana River District. Currently, the district treasuries are decentralised. For example, we find that the Ministry of Livestock and Fisheries Development has its own money. Other Ministries also have their own money. The head of the department is directly in charge of accounting matters. What has been happening is that you will find one department of Government in charge of water, irrigation, relief and livestock issues. The heads of departments in various district treasuries, especially from where I come from, sit on that money. They claim to have used that money on the same projects that were completed a long time ago. Therefore, the proposed Clause 5, that allows officials in Treasury to visit and access all the books of accounts, will help and go a long way in bringing financial discipline in the expenditures of Government.

Mr. Temporary Deputy Speaker, Sir, the proposed Clause 7, which talks about giving Treasury the power to manage Government property is particularly very relevant to us. We have seen a lot of Government motor vehicles, especially in the rural areas, doing all sorts of work. Money is expended from Government coffers to fuel these vehicles that ferry logs and animals for businesses which have nothing to do with the Government or issues concerning *wananchi*. This is a good provision that will allow people to complain directly to officers in Treasury that a certain motor vehicle is being misused and certain officials in Government are misusing particular property of Government in such a way that *wananchi* are not benefitting. This again will help bring financial discipline in Government circles.

Mr. Temporary Deputy Speaker, Sir, Clause 31 talks about personal liability to any Accounting Officer who misuses Government property or finances is particularly relevant. This will change the culture of management of Government property. For many years, the culture has been that Government property belongs to no one. Therefore, even the person responsible for managing that particular amount believes the money belongs to no one. The attitude has been: "Let me use as much as I can to my personal benefit and to the exclusion of the rest. The rest does not exist. This property belongs to me. In fact, it has no owner." That attitude has ruined our economy in this country. People have squandered Government money in the name of "it is nobody's money." So, this personal liability clause as espoused in Clause 31 is good because it will help us change the attitudes in the management of Government funds.

Mr. Temporary Deputy Speaker, Sir, I am also particularly happy with the proposed Clause 10 where, if Treasury has deposited money in a bank; whatever choice of a bank it is, under law, that bank will not be allowed to make any over-drawings. This will create a further cultural change in the minds of officers who are charged with expending monies on our behalf. The attitude has been that there is so much money in Government; it is a hole where money never gets finished and we can keep on using it. So, this proposed clause makes it very clear that we shall only be spending what we have. If we do not have, we wait or make formal arrangements for borrowing. This, again, for those who are working on behalf of Kenyans, must hear loud and clear the intention of the Government. The Government will no longer entertain officers who do not manage our money properly.

Mr. Temporary Deputy Speaker, Sir, on the whole, I want to sincerely congratulate the Minister for the very good piece of legislation that he has brought before this House. However, before I take my seat, I would want to make a particular mention on the contract-based performance that the Minister talked about. If we look at the economic tigers of South-East Asia, most of them rejected the economic approach of the capitalists who believed in the market forces. Instead, what they did was to make their own public enterprises extremely efficient with the aim to exporting whatever they produce to the outside world. That is why South Korea exports a lot to the rest of the world. Who manufactures those products? It is actually the public enterprises that have been made

completely efficient. One of the things those South East economies have done under the central doctrine towards the enhancement of the performance of the public enterprises is by contracting the Chief Executive Officers (CEOs). Before one is appointed the Chief Executive of an important parastatal, such as the defunct Kenya Posts and Telecommunications Corporation, one is required to prepare financial estimates indicating the projected financial gains for the corporation in, say, three years' time. Through the performance-based contract, those countries have managed to bring about a new cultural change in the management of their public enterprises. That has been one of the main factors in pushing for economic development. I would like to congratulate the Minister for bringing this Bill to this House.

Mr. Temporary Deputy Speaker, Sir, I hope that those who will hold public offices in future will get a very clear message that Parliament and, by extension, the Government, wants to change the culture of management of our financial resources, State corporations, schools and the Provincial Administration.

I would like, again, to congratulate the Minister.

With those few remarks, I beg to second.

(Question proposed)

Mr. Kipchumba: Mr. Temporary Deputy Speaker, Sir, I rise to support this Bill. I would like to congratulate the Minister for seeking to legalise some of the financial procedures that have been abused because there were no legal provisions in place.

Mr. Temporary Deputy Speaker, Sir, I want to start with the definition of Government revenue. I would have liked us to have a more elaborate definition of Government revenue, so that we are clear as to what constitutes Government revenue. The definition we have here is very long, but it should have made reference to the definition that we have in respect to the Treasury.

I am particularly happy that reference has been made to electronic documents as being part of records. At this time, when everything is being computerized, many electronic documents have not been used as part of records. I am glad that in Clause 5, the Minister has recognised that fact.

Mr. Temporary Deputy Speaker, Sir, the Minister has recognised the establishment of three offices which currently exist. However, I am not sure whether we need the Office of the Internal Auditor-General. We already have the Office of the Controller and Auditor-General. I am not sure whether creating the additional Office of the Internal Auditor-General will serve any purpose. I would like to be convinced that this office will be of any benefit in the management of our financial affairs. I am also not convinced that giving legality to the position of the Accountant-General is essential. As I said, some of these positions have existed before on an administrative angle. I would like to be convinced that we are not duplicating the role of the Internal Auditor-General and that of the Controller and Auditor-General.

Mr. Temporary Deputy Speaker, Sir, I am particularly happy with this Bill because it has introduced penalties which were not there before. We all know that many of the Accounting Officers will say that: "I received a telephone call from So-and-so ordering me to pay So-and-so Kshs5.8 billion." It is important that an Accounting Officer is held responsible for his actions irrespective of whether he received a telephone call or not. So, it is quite encouraging that, on passing this Bill, there will be penalties to deter such action.

I would have expected this Bill to include a clause to say that no expenditure will be incurred without the authority of the Accounting Officer, or his designated assistant. We would like all expenditures to be authorised by the Accounting Officers. As it is, we cannot completely pin down an Accounting Officer. If the Minister authorises an Accounting Officer to incur expenditure

of public funds on an unauthorised item, he could say he was authorised by the Minister. We want the expenditure of public funds to be authorised by the Accounting Officer and, in his absence, by his assistant. That will stop Accounting Officers from passing the buck to Ministers. The Ministers are in charge of policy and not administrative issues.

Mr. Temporary Deputy Speaker, Sir, the Accounting Officer should ensure that accounts are kept in accordance with proper financial and accounting standards. I have seen some accounts of some Ministries, and I am not sure where some of the procedures used came from. It is important to include a clause in this Bill, to provide for procedures and regulations to comply with Government standards. That will make Accounting Officers to adhere to the guidelines issued by the Treasury in their daily administrative activities.

I would, personally, have questioned the wisdom of having a Fund, which is administered by the Minister, but I was convinced by the Minister for Finance when he cited the example of the Constituency Development Fund. We would like that Fund to be administered in line with the laid down regulations. We would not like a situation where a Minister has powers to administer the funds on his own, and can even wind up a fund on his own. I think, as much as we would like the Minister to have the power, we would like that to be done in line with the laid down regulations.

Mr. Temporary Deputy Speaker, Sir, I was particularly impressed with the clause that says, that money that is withdrawn from the Consolidated Fund and not expended must be paid back to the Exchequer. If you look at previous accounts and reports by the Controller and Auditor-General, many Ministries would like to spend money on the last day of the month. They keep the money to themselves. Now that it is a legality that they must adhere to, it is important that money that is not expended by the various Ministries must be returned to the Exchequer, so that the same can be entered in record and redistributed in the subsequent financial year. I think that is important, because we know in the past situations where Ministries have kept funds which are not disclosed immediately, and yet when we are doing the Budget, we may not have received a report that, indeed, they have funds with them and, therefore, we do another budget and give them extra funds. I think there should be a time limit within which Ministries and institutions should spend money. I know it is always the last day of the month, and I think it makes accounting very difficult.

Mr. Temporary Deputy Speaker, Sir, with regard to imprests, if you look at the reports of the Controller and Auditor-General, many officers, including hon. Members of Parliament and Permanent Secretaries, have taken very huge imprests which they have never surrendered. The Government has lost millions of shillings, because the procedures have never been followed. Now that it is a legality that must be adhered to, I am impressed, and I would like to urge the Ministry to give strict instructions to various Ministries, that imprest must, indeed, be surrendered within the stipulated time of 48 hours.

If you checked the records of very many Ministries, you would realize that some of the money is owed by people who have died, transferred or retired, and yet the Ministry had a lot of time to collect money from them. But because of laxity, or because there were no strict regulations, the Government has lost a lot of money and it is high time that this was put to a stop. Taking imprest amounts to enjoying an overdraft facility. I am impressed that now if you take imprest, you will be required to pay at the prevailing interest rate. But I would have wished that, that should be amended not to read "the prevailing interest rate", but "the prevailing overdraft rate". We are talking of somebody who has borrowed indirectly from the Government. As much as an officer is required to surrender imprest within 48 hours, there are officers who owe even up to Kshs1 million in imprest, and if they pay at the current interest rate, the Government is liable to lose a lot of money. Further, I would wish that, that money is recovered from salaries as it is in Parliament.

Mr. Temporary Deputy Speaker, Sir, I would like to say that this Bill has come at the right

time because, if you talk of collectors of revenue, we all know that when revenue is collected, many institutions do not forward revenue immediately. I am not convinced that even the Ministries that are charged with collecting revenue do forward the revenue on time. I know cases, for example, in the Ministry of Lands and Settlement which collects rents and rates and the Ministry of Roads, Public Works and Housing which collects rents from buildings. I am not sure that, that money is forwarded to the Exchequer immediately. I would like to suggest that, that money be forwarded to the Treasury as soon as possible.

Mr. Temporary Deputy Speaker, Sir, I am not also convinced that the Government should maintain accounts in other banks. As much as I would appreciate that there are regions in this country that do not have branches of the Central Bank, I would suggest that these accounts be just collection accounts, so that all revenue that is collected is entirely transmitted to the Central Bank in one account, so that transparency can be maintained. What is the rationale of an Accounting Officer from Treasury being in charge of accounts over which he has no control? I think the only remedy would be such that whenever these monies are collected, irrespective of who is the collector of that revenue, all that money should be taken to one account, so that even if the money has to be paid back in terms of drawbacks and other deductions, it can be paid and controlled from Treasury.

Mr. Temporary Deputy Speaker, Sir, I am not also convinced that money that is collected as revenue is deducted by any institution. I would wish that all the money is forwarded to the Exchequer or the Consolidated Fund, and any monies that have to be paid back, like to the KRA, which is the agent of Treasury, can be paid back to them in terms of salaries and other remuneration.

Mr. Deputy Speaker, Sir, I think the essence here is to ensure that there are strict controls in terms of collection of revenue and the use of the same. There is no point, like I said before, of collecting money on behalf of the Government and you do not forward the same to them so that the Government can decide, in the most transparent way, how the money should be given. I would have also wanted to see some autonomy given to the Accounting Officers. In as much as we are saying that they can discipline certain individuals, we are all aware that the regulations governing the Public Service are so stringent that one Accounting Officer would find it very difficult to discipline another Accounting Officer.

Mr. Temporary Deputy Speaker, Sir, if you look at Clause 18, it says:-

"A person to whom a report is made under the sub-section---".

A report is not only made to a person. A report is also made to an institution, like the Public Service Commission. So, let us not personalise the management of financial affairs. Let it be managed by an institution. I would like to congratulate the Minister and say that if this is implemented, many of the problems that we face in the management of our affairs would be solved. We all know that the biggest problem we have in this country is lack of accountability. Lack of accountability is as a result of our failure to give power to accounting officers who manage the financial affairs of this country. Therefore, it is only fair to give accounting officers enough power to run their Ministries, so that at the end of the year, they can account for all the funds that they are given.

With those few remarks, I beg to support.

The Minister for Lands and Settlement (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, I rise to support this Bill which, I believe, came at a time when the NARC Government is working tirelessly to improve the financial management of this country. I look at it as one of the Bills completing the picture, when it is read together with the other Bills geared towards fighting corruption, improving transparency and accountability in the management of our public affairs. The Bill is so straightforward that it requires no marketing. For the first time, we are seeing the desired improvements in the management of our public affairs being brought into law, and being regulated in a manner that improves, not just the regular accounting and internal audit, but also the disclosure

mechanisms of the Government. That is, indeed, converting the Government to behave in the same way as the corporate world.

Mr. Temporary Deputy Speaker, Sir, as you read through the Bill, you cannot fail to notice the mention of the economy. That is its effectiveness and efficiency; basically, the tools that define value for money, not just for the *wananchi* as taxpayers, but also the very *mwananchi* who is receiving services from the Government.

I would like to mention the growing confidence that is coming back in the Government, in terms of what people feel, despite all the noises, quarrels and wrangling. The business sector has total confidence in the Government. That can only be exemplified by looking at the latest returns, where the Kenya Revenue Authority (KRA) has actually surpassed their target on tax collection by a very wide margin. That is, perhaps, the one indicator of what is happening; that people trust this Government and believe they can give it their money to receive services.

Mr. Temporary Deputy Speaker, Sir, Kenya is a rich country. Most Kenyans are actually amazed at how it has survived to date. When you look back to 1992 and hear about the billions that actually got out of circulation, one wonders how we survived. But I can only give one indication; that the best is yet to come. We can succeed and I am sure we shall succeed.

Mr. Temporary Deputy Speaker, Sir, the Minister alluded to the extravagance on the structures. Every day, when I look at National Social Security Fund (NSSF) and National Hospital Insurance Fund (NHIF) buildings, I ask myself: "Did we need to put all these finishes as if we were doing a commercial show of architectural masterpieces, or did we want to use public funds for purposes of creating rental space?" I do hope and believe that the age and era of all that extravagance will be a thing of the past, when we look at the provisions of this Bill, in terms of giving value for money. Is what we are doing economical, effective and efficient? We can go back to all public buildings and give corresponding internal acoustics, rather than putting marble and all the other things that end up transporting wealth from poor Kenyans to the manufacturers out there.

Mr. Temporary Deputy Speaker, Sir, we used to have vehicle maintenance in this country. Everyday I am told the vehicle, is going for service, I shudder at the amount that has to be paid, yet the vehicle, more often than not, comes back unserviced or with more problems than when it left for service. This is all part of the culture that we have developed for the last 40 years. I hope that by application of this Bill, we are going to see these excesses reduced and together with all the other efforts that we are making, we are going to see the centralisation of our own purchases and maintenance of our vehicles. I believe the days of siphoning are gone and I am glad that we now have a Bill.

As I conclude, a lot has been said about the central banks. I thought the central banks that we created in this country were done with a reason. But one of the very hidden reasons that I have noted is the siphoning of Government funds over the counter in one of the central banks in this country. Money paid for stamp duty and land rent has ended up being paid over the counter in some of the branches instead of being credited to the Government accounts. I think we need to be cautious, and I hope that this Bill will help us in our continuous internal audit to ensure that all these things do not happen and the Government and *wananchi* do not continue to lose that money.

Mr. Temporary Deputy Speaker, Sir, I do not believe any of us would have a problem with this Bill and its provisions. The faster we pass it, the better, so that we can start implementing it and save the Kenyan people the losses that we have witnessed in the past, and consolidate all those into gains that we can use and convert into service delivery to alleviate poverty and to remove the 50 per cent and above of Kenyans who are languishing in poverty and bring them back to prosperity.

With those remarks, I beg to support.

Mr. Muchiri: Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to contribute

on this Bill. I think this Bill is timely, as the previous speaker did mention. It is one legislation that is going to streamline Government expenditure and accountability.

In the past, we have seen many wrong ways of doing things as far as financial management of Government is concerned. For us who have experiences in the private sector, we get amazed at how things are done. I worked for the Government for only three months, about 25 years ago, and when I returned to Government circles this time as a Member of Parliament, I am finding things to be unbelievable. I think there is some culture that must be done away with. I think people believe that public money is meant for free. Kenyans pay taxes because they want to see it well spent. They want goods and services delivered. But I would want to ask Government officers who implement projects to be cautious of the fact that much of the money that the Government spends comes from the private sector. We in the private sector - I say 'we' because I belong to that world - are willing to pay taxes. But we are not willing to pay taxes if we do not know what those taxes are used for.

Mr. Temporary Deputy Speaker, Sir, much as this legislation appears to be good and I really support it, I wish that the Minister for Finance, who is in charge of Treasury, will not use this legislation to lord it over other Ministries. The Treasury, under this Act, is going to appoint Accounting Officers in all Government departments and commissions, *et cetera*. I am only hoping against hope that the Treasury will not use its overriding powers in this Bill to give with one hand, because it is the one that gives money for the Government Ministries to spend, and take with the other in the name of controls.

We are creating very powerful offices under Section 8. I am sure the Accountant General's position is already existing as well as that of the Director of Budget. I am not sure the office of Internal Auditor-General is there, but we are giving legality to these offices. I would have wished that these offices are administrative. I hope they are not 'monsters' in the making.

I think the Bill has all the good intentions, but I am not a Minister and I do not know how it will relate with the spirit of collective responsibility. This is because whereas the Treasury is appointing Accounting Officers to Ministries, I hope those Accounting Officers will first report to that Ministry, so that we do not have conflict of command. There must be a proper chain of command in administrative circles. Presently, the Accounting Officers at the Ministries are the Permanent Secretaries. I do not know how the scenario is going to look like. But as I said, I think the Bill has all the good intentions and I have no reason to cast any doubts on that.

But I was looking at Section 9 of the Bill and it says that the Treasury will determine where the Exchequer Account shall be. I wish the Minister could look at that more carefully, because we would not wish to take Government money to any bank. We do not want the Minister to wake up one morning and say all the Exchequer accounts are going to be in Kenya Commercial Bank or National Bank, Consolidated Bank, "Muchiri Bank" or any other bank. This is because we are not sure whether that money will be safe. When I studied Economics, I was told that the Central Bank is the Government banker. I would wish that, that remains so. If it does not remain so, much as we shall be putting our eggs in many baskets, we cannot be sure that they are safe in those baskets. We have seen banks collapsing. We are not even sure that the present banks are stable, even those where the Government is a major shareholder. I want to suggest that money that is received by way of taxation from Kenyans should be banked in the Central Bank and not in any other bank unless otherwise specified in a legislation. So, I have a problem with Section 9 of the Bill.

Mr. Temporary Deputy Speaker, Sir, Section 13; and '13' is not usually a very good number, talks of some controller who has to authorise, and which authorization shall be read to be sufficient authority *et cetera*. I would wish that the Minister and his Permanent Secretary must not surrender their authority to some subordinate staff. They must remain accountable and we would wish, as Kenyans, to see them looking after the finances very closely.

Mr. Temporary Deputy Speaker, Sir, the era of making telephone calls by the Executive, whether it is in the Government, public or in the corporate world is gone. We would wish that instructions are written so that tomorrow there will be no question about these things. The Goldenberg has taught us a lot of things. It is important that this Act is also coming up with some penalties that any Government officer who contravenes the regulations of this Act shall be personally accountable. It is not that these things are not there now. What this Bill is coming to do is principally to put records straight, and it is necessary that people work with their conscience and not with instructions. I know that people have to keep their jobs, but sometimes it is better to lose that job rather than do things the wrong way, like they did when they were operating the so-called infamous Goldenberg.

There is also the issue of receivers of revenue that the Treasury may appoint. I believe that the Government is losing a lot of money because they are not able to collect money. I am happy that the Minister for Lands and Settlement is here and he is responsible for collecting rents and rates from land owners. Sometimes I wonder what will happen if the Government would give some of these responsibilities even to the private sector to collect for them. For instance, if the Minister for Lands and Settlement wanted to collect all ground rents payable to the Government and he was able to tell a number of estate agents called property managers to collect this money for him, he would double his collection. I say this because I have perhaps spent a lot of my professional time collecting money for landlords. We have an honest private sector that can assist the Government to collect revenue. It is a question of credit and debit. I am not an accountant but I know that when you collect, you spend and if you do not collect, you have nothing to spend. I am suggesting---look at the Nairobi City Council, for example; they are owed a lot of money in the way of rates and water bills that they are not able to collect. In fact, they collect less than what they are supposed to; maybe 20 per cent.

If there was a way to privatise some of these functions to let these able firms, then I see the Government doubling its collections and Kenya will get enough money for the provision of services. Sometimes, like now in Nairobi, I take the Nairobi City Council to be a Government organisation just like a Ministry because they are under the Ministry of Local Government. In Nairobi you will find that services cannot come in the name that there are no funds, yet as I said, there is a lot of money that is not being collected.

I can see that Section 11 is setting duties of the accounting officers and they are quite elaborate and welcome. Those duties, if followed carefully by those accounting officers will streamline the financial management of the Government. I hope that those offices that are being created by this Bill, which will eventually become an Act, will get men and women of repute. I wish that any time we are able or have need for people to work for the Government, it is important for us to conduct elaborate interviews so that we can get the best. This is important, rather than appointing people. One can appoint people, but to get the best out of the lot that you have, it will require interviews. Sometimes I dream of a time when Government will even be able to interview people before appointing them to be Ministers. If we really want a Minister from the Coast Province, we should interview all hon. Members from that province so that we appoint the best among them. That is a corporate thinking. It will not be a political thinking. For example, if we want somebody for a specific job in the corporate sector, we interview people and get the best. In most cases, we get the best results.

Mr. Temporary Deputy Speaker, Sir, as a valuer, I would imagine that Kenyans are valuing the Government. I think the NARC Government is doing well. I hope it will be able to do even better with the co-operation of all Kenyans. If all our people were to pay taxes, then this Government will deliver. I think the Bill is straightforward, and I look forward to it becoming an

Act of Parliament.

However, I have one concern, and I wish the Minister for Roads, Public Works and Housing was here. I think the money voted for rehabilitation of roads is not properly spent. I am often amazed when contractors grade roads, and eventually we are told so much money has been spent on them. But when you imagine the actual cost, you cannot reconcile those two figures. I think hon. Members of Parliament must be able to monitor these funds. The Ministry of Roads, Public Works and Housing and any other Ministry must also be able to do a follow-up and inspection to avoid the expenditure that is being carried out by Government officers in the districts. As a result, whatever money that is allocated to the district will be properly spent. I think the District Roads Board money is not properly spent. We only hear of the money having been spent, but the procedures are a little bit questionable.

Mr. Temporary Deputy Speaker, Sir, I think the so called "tendering system" is one area that the Minister must try to review. It is good to tender, but quite often, the tendering system makes things even more expensive. It is important for the Government to tender. However, I am of the opinion that even where we have the lowest bidder, we should go ahead and negotiate further. This is because sometimes people can connive and award tenders at high figures. The Government will then award that contract to a particular person, but ideally it will have gotten a raw deal. So, I am for the idea of awarding tenders, but we should be more careful. I think there are some contractors in this country who think they can get rich overnight. They bid the highest because it is Government money. I think it is the wrong way of doing things. Recently, I questioned even Government officers on how they are able to get murrum and other construction material for so much money and yet, when I am building my own house, I can get the same material cheaply. They came up with all sorts of reasons. They told me that, maybe, I usually buy my materials from someone who does not pay Value Added Tax (VAT). If I can get my murrum from someone at Kshs2000, why should I be told that Government procedures say that a person to do business with must be somebody who pays VAT? Those are some of the reasons that are making our roads and other services not reach our people and become very expensive. These are the things that, we, in the corporate sector, should be advising Government on. I know anyone would want to pay the least for anything, and this is what Government should be able to do.

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

The Assistant Minister for Environment, Natural Resources and Wildlife (Prof. Maathai): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Bill. I want to congratulate the Minister for the very serious treatment that he has given to the Bill. I want to raise an issue that I know I have raised before, but when you first do not succeed, you try again. So, I want to keep trying to see if I can convince the Government, especially the Ministry of Finance, that there is a lot of wastage in some areas of our financial management.

One wastage which I constantly come across is on paper usage. As I have said before, this House only prints on one side of the paper. To me, it is a great wastage. There is no reason why we cannot print on both sides of the paper. Actually, this is the third time I am raising this matter, but I will not tire until the Ministry of Finance orders people to use both sides of the paper in all Government offices. It does not make sense for us to complain about how much we have lost in terms of forest cover. We have exploited most of our forests; we now import wood from our neighbouring countries and, yet we are so wasteful on the usage of paper obtained from trees.

Mr. Temporary Deputy Speaker, Sir, the other wastage conspicuously displayed in every Government backyard is with regard to stalled cars. I hope that one of these days the Minister for

Finance will order that the Government buys certain makes of cars so that when they break down, some of the spare parts from the old cars can be used to repair them. If we do that, we would very easily impart some skills in our people who will repair those cars. It does not really make sense to see our Government buy cars from every corner of the world, and all sorts of make it finds in the market. When these cars break down, they are parked at the backyard. It would be interesting to know how much wealth is lying in the backyard of Government buildings. These cars literally will rust at the backyard because they will never be repaired. Instead of repairing them, the Government buys new cars. I find this very bad, especially now that I am in the Government. I would like to see us manage our resources much more efficiently.

When I find Government offices using only one side of a paper, and yet we have banned harvesting of trees in our forests, I feel very discouraged. At the moment, there are two companies that have been exempted from this ban and are harvesting trees in our forest. These companies are Pan African Paper Mills and Rai Plywoods. One of the reasons why we have allowed Pan African Paper Company to continue harvesting trees in our forests to the chagrin of many saw millers, especially local saw millers, is because this company manufactures paper. Why should we allow this company to continue harvesting trees from the few forests which are left, only for us to use one side of those papers? This is poor management. Since we are talking about good financial management of our resources, then this a very important aspect.

Mr. Temporary Deputy Speaker, Sir, I would also like to say that this Bill will help us fight corruption. In this connection, I would like to say that in any country in the world where the gap between the rich and the poor is very wide, it is very difficult to minimise crime and abuse of drugs because the two go hand-in-hand. This means that certain people have either financial or political power, which they use to enrich themselves at the expense of their fellow citizens. We know that about 56 per cent of the people in this country live below poverty line. That, according to the United Nations (UN), is less than a dollar a day. That is a very high percentage of really poor people. We have examples everywhere. We have our Kiberas, Mathares and Mukuru kwa Njengas. We can see how destroyed our people are. At the same time, we have some of the richest people in this country, who count their shillings in billions rather than in thousands. I think that the Ministry, in helping us to manage our resources, should help us to promote greater equity in our country. That way, we can elevate a greater number of Kenyans to live above the poverty line. That will also ensure that some of us do not become excessively rich and others excessively poor.

In that connection then, it is difficult to control security. As you know, we have been talking about the need to enhance our security in this House. We know that in any society where there is such inequality, it is almost inevitable that you are going to have organised crime, drugs and a lot of insecurity. So, this Ministry can help us a lot by reducing inequality by managing our resources in such a way that there will be greater equity and fair distribution of wealth. That way, Kenyans will not feel that they have to take a gun to shoot their fellow Kenyans. They will get some of the resources that such Kenyans have.

Mr. Temporary Deputy Speaker, Sir, insecurity in this country, for example, is seen in the kind of houses we live in. We know that some houses are literally prisons. I sometimes think that one day, when this country is secure, many of the houses in the higher income areas will probably be an attraction for tourists. They will go to see how Kenyans used to live when there was insecurity. They have barricaded doors, barricaded houses, high walls, electric fences around the house, dogs and *askari* houses! I mean they will make very interesting tourist attractions one time when we will have greater security. We can then look back and see how we lived when we had such high inequalities in our countries.

Mr. Temporary Deputy Speaker, Sir, I think that this Bill should also emphasize, perhaps

indirectly--- I know that some of that should be reflected in other Ministries; maybe, through the Ministry of Education, Science and Technology. We need to introduce in our schools, from primary level, a system of education which instils values in our people. We have to start from the beginning. We have to start at the primary level, so that we do not wait until people are graduates and try to instil values that would promote the kind of accountable society that this Bill is anticipating. For example, there is need for work ethics in this country. We need to have people who work and feel that they are giving their employers, whether the Government or the private sector, their dues. Sometimes, people think that the only time you steal is when you actually take cash money from a person. We can also steal by cheating our employers. We can cheat by not working hard enough, honestly and long enough to earn our salaries. That is why the call by our President, to make Kenya a working nation, is very relevant. It is very important for us to have work ethics. Some people feel that all they need to do is show up in the offices. We remember there were times when officers would go into offices, hang their coats on their chairs and then walk away, as if the coats would do their jobs. Those are very poor work ethics.

I would like to say that in many countries, where people have developed and outstripped us, and even quite often we have quoted Korea and South East Asia, it is partly because these communities have developed strong work ethics. They stick to their desks, utilise their physical and intellectual resources and give their employer his due and through that way, they become productive and make their country develop. That is how you create jobs actually. If you sit at the desk and be creative and productive, eventually you will produce more than you can do and then you will need another person for assistance. That is how jobs are created. Jobs do not come from trees; they come because those who are sitting in the offices are productive.

Mr. Temporary Deputy Speaker, Sir, I want to congratulate the Ministry indirectly for showing some control in our offices. I know for example that our telephone bills are being controlled. Our airtime is being controlled. I think that is a very excellent measure by the NARC Government to ensure that their officers are not using the resources irresponsibly. It is good when the telephones are disconnected or when you know that once you finish your airtime, if you want more time then you buy. What happens is that people begin to instill discipline in themselves so that they do not overshoot the bills that are sent to the Government.

Mr. Temporary Deputy Speaker, Sir, I am emphasising these issues because we are now calling the donors "development partners" and perhaps it is because the word "donor" has a connotation of being given and when we say "development partner", then it seems like we are walking side by side. The fact is still that we are getting resources from other people and we must realise that these are taxes of other nations. Other nations tax their citizens and they are willing to share with us some of those resources. Sometimes they lend these resources to us so that we can develop our own citizens. Now, whichever way we want to call them, development partners or donors, I think it is very important for our people to understand that nobody is going to give you money forever for nothing, and that sometimes you have to sacrifice certain things when you allow a foreign government to give you support or help.

Mr. Temporary Deputy Speaker, Sir, it is for that reason that we must emphasise to our people that we must work hard, be efficient, honest, responsible, accountable, respect ourselves and have certain standards as we work for our nation, so that while we are being assisted by others, we also raise our own level of development so that one day we shall not need to be assisted by others. I mean sometimes it looks like we are here to be assisted until eternity, and we are not thinking of one time when we shall have to say: "We do not want any more aid. We want to use the resources that we have".

I think every Kenyan must develop a certain amount of self-respect for not depending on

citizens of other countries to sacrifice themselves so that they can be assisted. It is okay to be assisted for some time but sooner than later, we must come to a point where we feel that we are grown-up enough, we can rely on ourselves and we can develop our country ourselves. We can only do that when we develop these values of ethics that this Bill is anticipating. Those are values, as I said, of honesty, hard work, responsibility, accountability and integrity.

Mr. Temporary Deputy Sir, I look forward for that day when these values shall be part of our ethics and our way of our life, so that we do not feel that we need to be assisted forever. We have almost become donor-dependant. When you watch television and look at newspapers, you hardly see any report on any project that has been initiated and sponsored by our Government. Quite often, what is covered and aired are projects being sponsored by a development partner as if whatever is happening in this country must always be sponsored.

Mr. Temporary Deputy Speaker, Sir, we know that the Government is getting a lot of money in form of tax from its citizens and it has a lot of resources which it is using to develop the country. We should see more of Government-sponsored projects in the media because that will give us self confidence to know that our own taxes are being used to develop our country. That way, we will not be 100 per cent dependant on others. Dependency on donors will give us a sense of disempowerment which, to an extent, in our villages and our constituencies, translates to communities and individuals believing that they have to be given, rather than working for themselves the way the President is urging us to do.

Mr. Temporary Deputy Speaker, Sir, another form of waste I have seen, and I want to clarify, is the fact that last year, there was an exercise to clear bushes along highways all over the country. I wish the Minister for Roads, Public Works and Housing was here to hear this. The bush-clearing exercise destroyed a lot of trees. I was told that the exercise was to clear, not big trees, but small trees. I want to tell the people from the Ministry of Roads, Public Works and Housing, who were clearing the bushes, that bushes along the highways do nobody any harm. There is absolutely no reason for clearing the bushes. In fact, they are home to many wild animals, for example, rats, chameleons, birds and so on. When the bushes are cleared in that manner, where are the birds supposed to live? Land has been over-cultivated and there are no wild areas for the animals to live.

Mr. Temporary Deputy Speaker, Sir, the bushes are the only areas where we still have wild genes. The wild genes are very important for the continuation of evolution. Evolution is still going on even at the moment. So, when you destroy the bushes, grasses and other plants, you are actually destroying the animals that live there. They literally cut everything to the ground and burnt the bushes to ashes. By doing that, they were actually stopping the evolution process. The clearing of bushes is, thus, destructive to the lives of human beings.

I would like to appeal to this Ministry to manage this important natural resource responsibly. Let them spare the bushes and trees. The little trees will one day become the big trees that we see. I would like to encourage motorists to drive carefully along the highways and enjoy viewing birds and butterflies in those areas. The bushes are a very wonderful and valuable resource even though that may not be mentioned in this Bill. They are part of our great natural resource which, if properly managed, will ensure that this country becomes prosperous.

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

Mr. M'Mukindia: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this very important Bill.

First of all, let me start by congratulating the Minister for the way he has managed his Ministry in the past one year, within which confidence has come back to this country.

(Applause)

He has created the necessary environment under very difficult circumstances. Judging from the recent investment conference held in this country and the number of foreigners who now want to hold similar conferences in this country, that investor confidence is slowly coming back to Kenya.

Mr. Temporary Deputy Speaker, Sir, that is an indicator from the outside world. At the local level, I believe that Kenyans have great confidence in the ability of the Minister, his Ministry and staff to give Kenya what it requires, and to translate the vision that the President has for this country to create a sustainable recovery in our economy, in order to meet the challenges of development.

Mr. Temporary Deputy Speaker, Sir, this Bill enhances the capability of the Government to manage a very important Government asset, finance, or what you might call the cash side of the Government assets. Judging from the Minister's Speech, I think the Bill in its entirety really captures all that is required to be done. It will enhance better management of our finances and, obviously, if that happens, *wananchi* will have more confidence in the way the Government handles its finances. I will feel easier to pay my taxes because I know they will be handled in a proper manner. The corporate world within the country will also pay their taxes more readily because they know their money will be looked after well for the benefit of this country. It, therefore, goes further to create that confidence that is required by both *wananchi* and others in the way the Government handles its affairs. This ought to increase the net assets that the Government will get from its people. We would, therefore, expect this to lead to higher revenue collection by the Government and, in turn, better or more investments by the Government in terms of social services to *wananchi*, health services, educational services and infrastructural development. Therefore, hon. Members should really support this Bill because most of them have already done so, because it will increase our economic development for the best of this country.

Mr. Temporary Deputy Speaker, Sir, I hope that this is only the first step that the Minister has taken to ensure better management of Government assets. Hon. Prof. Maathai has mentioned that the key thing for the Government to do is really to reduce wastage. She has explained very ably on many areas in the Government, including Parliament, where we actually waste a lot of Government resources. I totally agree with Prof. Maathai's assertion that paper is one of the resources being wasted.

(Applause)

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

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

In the private sector, everybody uses paper twice. No piece of paper is thrown away because it is recycled within the organization, saving a lot of money in the process. The Government is one of the biggest wasters of paper, and not just in Parliament. We totally misuse paper and, therefore, misuse our forests as the hon. Minister had mentioned earlier.

Therefore, I hope that this is only the first step that the Minister for Finance is taking to ensure better management of Government assets. I am not just referring to the cash side of the assets; there are motor vehicles, for example, which were also mentioned. But let us not forget Government buildings, some of which are in a pathetic situation.

Mr. Temporary Deputy Speaker, Sir, Government buildings have been destroyed by the

civil servants who occupy them. Some of them have been burnt down. How is it that the Minister is going to look very effectively after the money, and then forget about a multi-billion shilling building? We need to have a comprehensive Act to look after the other immobile assets. For instance, the Minister for Health should be very worried about Afya House. It is a major Government investment. How are we protecting these assets?

Mr. Temporary Deputy Speaker, Sir, while we appreciate that this Bill is very good, we need a more comprehensive Bill to address the issue of other Government assets, including bullions and finances that are held both locally and abroad, how they are managed and invested. Investment is another key area where one can make or lose a lot of money. We know for sure that through the overnight lending between certain commercial banks, one can earn a certain percentage of interest. If you invest Kshs1 billion overnight, you would earn a substantial amount of money within that night. How will the Government ensure that the Treasury manages the cash finances on a day-to-day basis to ensure that it maximises its earnings? This should not be merely to save the earnings, but also to make money out of it. That will increase your asset base and, therefore, increase the amount of money that is available to you to ensure that you re-invest in various sectors of the economy.

Mr. Temporary Deputy Speaker, Sir, the challenges ahead for the Minister, and for the country as a whole, are immense. There is no doubt about it. I have confidence, having seen what the Government has already done, that, in fact, we are approaching these things in the right way and we will succeed. In order to succeed, it is not enough merely to control the finances. While Bills like this one are necessary to ensure proper control and management of finances, unfortunately, they do not give initiative to the civil servants who manage them to be imaginative. This is a game of hide and seek, and it is very unfortunate. I do not know how it can be sorted out. In my opinion, it is necessary that top civil servants must be given sufficient leeway, perhaps, through regulations that the Minister will publish later, to ensure that they manage these assets imaginatively and profitably. If it means that such civil servants get some extra benefits out of it, so be it. At the end of the day, we have a much larger cake with which to invest in various sectors of the economy.

Mr. Temporary Deputy Speaker, Sir, I would like to urge the Minister that when he publishes the regulations arising out of this Bill, he looks at the possibilities of how he can encourage civil servants to manage finances more imaginatively and profitably. This is all a business of making money. If we do not have the money, we cannot invest. We should use the little assets that we have to make more.

Mr. Temporary Deputy Speaker, Sir, the other area of wastage that I have noted is that our Government, up to today, has not become E-sensitive. It is not a computerised Government. A lot of people in the Government today are scared of computers. I was hoping that Parliament would lead the way, as it were, not only by being provided with computers, but being in the E-world. So far, we have the computers, but we need printers and e-mail services, then we will be more in the electronics business. Until and unless the whole Government accepts the need to modernise itself, this wastage will continue.

Mr. Temporary Deputy Speaker, Sir, we should realise that there is only so much that a human being can do. He or she is liable to get tired, get sick, or a member of his or her family can get sick. That is a limitation. How can we reduce this human limitation in the way we run our Government? Our Government must accept that it is the Minister's responsibility, as the head of the finance docket, to ensure that all the Ministries are computerised as soon as possible. To me, this is an extremely urgent measure, as we all know that Kenya has lagged behind in the electronic age. Unfortunately, the previous Government did not know how to go about it and did not even feel like it was a priority. The Government also wasted a lot of time. We now have to catch up.

I have had an opportunity to visit a few countries in the East African region, which are supposedly less developed than ours. For instance, if you went to see somebody who is at the level of a Government director in Uganda today, you would not find him or her with a secretary. Government directors in Uganda have their own computers that they use to store all the information they require. A director can print for you any information you need there and then.

(Applause)

Mozambique has lagged behind for very many years. It fought wars since 1975 to 1994. I was lucky to visit the country recently and met many Government directors. I could not believe that I was dealing with Government officials, because they could avail any information that anyone needed. They are sharp, well educated and computer-literate. They do not advise people to go back to their offices for information after a day, or even a week. No wonder investors are flocking to utilise Mozambique, Uganda, and even Ghana. The environment in those countries is conducive to working.

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

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

Therefore, if we are planning to manage our finances better in order to enhance economic development and improve the economic climate, we will have to give our civil servants better tools to enable them do their work better. That will enhance the business environment in this country not only for foreigners, but also for Kenyans.

Mr. Temporary Deputy Speaker, Sir, I think that it is a major task for us to ensure that the Government becomes of electronic age, if we hope to have sustainable growth of our economy, which, as the President mentioned recently, is the greatest challenge that this country is faced with. I would expect that once our development partners realise that we manage our finances better, they will obviously be more comfortable in giving us funding for whatever projects we may have. Once they are assured that their money will be spent properly, they will be more than willing to do so. If we have better information systems I think local investors will be more than willing to invest more money in their businesses.

Mr. Temporary Deputy Speaker, Sir, there is another issue that I would like to raise, which has something to do with creation and maintenance of wealth in this country. I believe that law is paramount, and that it must be followed. I do not know the Englishman who once said that law can also be an ass. The Gross National Product of this country, which includes what we are talking about today, also includes buildings and other assets that we have.

While we must accept the fact that some people, for whatever reason, decided to put up their very expensive houses on highways and, therefore, obviously must be pushed out, there are some small-scale kiosk owners who are totally illiterate and they sell vegetables. These kiosk owners cannot be equated to a multi-millionaire, who has built a house on a proposed highway in Loresho. We cannot, therefore, treat that old kiosk owner, who is totally illiterate, in the same way that we treat M'Mukindia who has deliberately decided to build his house on a highway. We must treat people who have no other means of livelihood with humanity. As leaders, we must realise that the wealth that the kiosk owner is creating is really part of the Gross National Product of this country. It

is an important economic activity of this country. We must treat it not only with respect, but also with humanity.

Some of the demolitions that have occurred in this country in the last few months have been totally inhuman, and I personally condemn them. I would not condemn a situation where a person of M'Mukindia's calibre decides to build a house in the middle of the road, then it is demolished. That is his problem. I condemn a situation where somebody comes to a small market in my constituency and demolishes kiosks without warning people of his intention, and then the following day we have 400 jobless people. That is not only inhuman, but you have also destroyed the livelihood of people who have no other means of earning their livelihood. You have also destroyed part of our economy and Kenya's wealth.

While I agree that law is primary - we are the ones who pass it here and we must uphold it - let us remember that it is man who makes law. Laws do not make man. As leaders, we must be sensitive enough to realise that. An example is in the history of this country and other countries as well. We have even changed constitutions to favour certain political developments or positions. So, law in itself is not more supreme than humanity, because man changes it every time to suit his needs. While we must obey the law, we must apply it humanely, with morality and reason.

I would like to urge the Minister for Finance, while implementing his policy, to closely look at the Local Direct Investors (LDIs) *vis-a-vis* the Foreign Direct Investors (FDIs). We have hosted many conferences meant to enhance our economic development and revenue collection, so that Mr. Mwiraria can have a bigger cake to share out to Kenyans. However, Kenyans should not be so crazy about the so-called FDIs without realizing that the LDIs is more important and critical to this country than the FDIs. The LDIs will never run away during times of crisis, such as during general elections, or when we are faced with natural calamities such as earthquakes, floods and so on. We are all aware in this country that every time there is a general election, there is massive movement of cash out of this country, not by *wananchi*, but by the so called FDIs. So, who can we truly rely on? We must rely on our own people. Therefore, we must give more incentives to our LDIs rather than concentrate on the FDIs. The FDIs may be what we might call the icing on the cake, but the real cake is the *mwananchi*. It is that farmer in Kapenguria District, herdsman in Turkana District, and coffee farmer in Meru District. We cannot forget fishermen in Kisumu and Lake Baringo.

I am not dismissing the importance of FDIs, but I think we should put more effort in creating a positive and enabling environment for local investors. If I were a foreign investor and I witnessed the way the Government treats the local investors; for example, Mama Wanjiru in South C; how this Government treated her by sending a tractor at night to flatten her kiosk; I would I not invest in this country. If we treat our people with such contempt and inhumanity, as a foreigner, I would think twice before coming to invest in this country. We must respect our own people first, before we can convince foreigners to come here. Our people must be safe before foreigners can feel safe in this country. This is a commonsense.

I think Mr. Mwiraria's job is being made more difficult by certain sections of our Government. While he is trying very hard to ensure that there is economic development, others are dragging him backwards. That is wrong. We have very hard working Ministers, but they are being dragged backwards. We, as Back-benchers, must come out strongly and support those Ministers whom we see are actually doing the right job for this country. We must condemn the ones doing more political activism than economic activism. The other day, the President said that what we need in this country is economic activism, but not political activism. When will this political activism end? One year down the line after the general elections, and we have not given anything back to *wananchi*.

We, as leaders, must really be honest with ourselves and declare openly whether all our

interest is in power, and that is all what we want, or really whether we want to serve our people. We must deliver services to our people and forget all about political activism.

The Temporary Deputy Speaker (Mr. Ethuro): Mr. M'Mukindia, you will have five minutes to complete your contribution.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Ethuro): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until Tuesday, 20th April, 2004, at 2.30 p.m.

The House rose at 6.30 p.m.