

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 17th February, 2009

The House met at 2.30 p.m

[Mr. Speaker in the Chair]

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

Report on the Nomination of Names for Appointment to the Kenya Anti-Corruption Advisory Board by the Departmental Committee on the Administration of Justice and Legal Affairs.

(By Ms. Odhiambo)

NOTICE OF MOTION

ADOPTION OF REPORT ON NOMINATION OF KACC MEMBERS

Ms. Odhiambo: Mr. Speaker, Sir, I beg to give Notice of the following Motion. THAT, this House adopts the Report of the Departmental Committee on Administration of Justice and Legal Affairs on the deliberations on the nomination of members to the Kenya Anti-Corruption Commission laid on the Table of the House on Tuesday 17th February, 2009.

QUESTIONS BY PRIVATE NOTICE

COLLAPSE OF PAN AFRICAN PAPER MILLS LIMITED

Mr. Sambu: Mr. Speaker, Sir, I beg to ask the Minister for Industrialization the following Question by Private Notice.

(a) Is the Minister aware that, as a result of the failure by the Ministries of Finance, Forestry and Wildlife, and Industrialization to implement various rescue packages approved by the Government, Pan African Paper Mills (EA) Ltd in Webuye has collapsed putting the future of over 1,600 employees and their families at the risk of losing employment and, therefore, their livelihood?

(b) What steps is the Government taking to ensure that the rescue packages approved by the Government are implemented without further delay to save the factory?

(c) What measures has the Government put in place to ensure that the employees of the company are guaranteed of their employment and/ or benefits?

The Assistant Minister for Industrialization (Mr. Muriithi): Mr. Speaker, Sir, I beg to answer.

(a) I am not aware of the failures by the Ministries of Finance, Industrialization, Forestry and Wildlife in the implementation of the Rescue Strategy.

However, I am aware that the three Ministries have made concerted efforts, through a taskforce, that was put in place by the Government to look into the issues affecting the Pan African Paper Mills (PPM). This taskforce has developed a work plan and assigned themselves responsibilities according to the role each Ministry plays concerning the issues affecting the company.

Mr. Speaker, Sir, the taskforce constitutes of Permanent Secretaries of the three Ministries and is chaired by the Office of the Deputy Prime Minister and Ministry of Finance. It has held series of meetings since November, 2008 to address the directive and measures to be undertaken. The progress made, so far, towards implementation of the Rescue Strategy is as follows.

Mr. Speaker, Sir, first, the Office of the Deputy Prime Minister and Ministry of Finance has released additional equity to the tune of Kshs140 million. The Ministry has further provided, in this year's financial Estimates, Kshs100 million as additional equity in favour of PPM.

The Ministry is also continuing to coordinate the implementation of rescue measures by chairing the three-Ministry taskforce as well as the Technical Working Committees that are overseeing the implementation of the rescue measures.

The Ministry of Forestry and Wildlife has identified concessionary areas and invited PPM for ground identification of trees for felling and then prepare the necessary documentation for the agreements to be entered between the Ministry of Forestry and Wildlife and the company as required by the law. The Ministry has also prepared a two-year felling plan for the yearly allocation of 450,000 cubic metres of pulp wood.

The Ministry has effected a reduction on the royalty rates. It is also working closely with PPM on a formula for future reviews. The Ministry has also invited the PPM to a meeting with the Kenya Forestry Board (KFB) to discuss and agree on modalities to approach the concession granted by the Cabinet on wood allocation, land to grow biomass and royalties to be paid in light of the existing laws.

My Ministry has sourced for experts to assist the PPM in the management and running of the company through the injection of modern technology ideas in order to return the company to profitability. The Ministry has identified four experts through the Department of Wood Science and Technology, Moi University, who are willing to work with this company. The Ministry is working out modalities with this taskforce to find ways on how these experts can assist the company without violating the technical management agreement which is in place until June 2010.

(b) As for part "b" of the Question, the Government has already initiated action as I have just detailed in "a" above. We are working very closely with Orient Paper of India Company and the PPM management to ensure that measures are implemented and concluded accordingly.

(c) The concerted efforts being made by the Government under "a" and "b" above are in the best interest of the employees and the company. Orient Paper Company of India and the Government of Kenya as the principal shareholders are working out modalities through the taskforce to sort out all the matters concerning the company, including employee related issues.

Mr. Sambu: Thank you, Mr. Speaker, Sir. I want to thank the Assistant Minister for that answer. However, I am very surprised that he is not aware that the factory stopped operating. At the moment, it is closed. Its closure has a series of consequences, not only to the people of Webuye, but also to the economy of this country.

Mr. Speaker, Sir, for this reason, I would like him to clarify the following: First, is he aware that in March, 2006, there was a Mackeen Study that was conducted? It made very good recommendations, but none has been implemented.

Mr. Speaker: Mr. Sambu, it is Question Time! You are allowed one question at a time!

Mr. Sambu: Mr. Speaker, Sir, with all due respect, these are very serious issues. I would like to have some more clarifications on them.

Mr. Speaker: Indeed, it is a serious matter and I appreciate it. However, we must follow our

own rules. You have to ask one question at a time.

Mr. Sambu: Mr. Speaker, Sir, I just needed a clarification!

Mr. Speaker: It is Question Time and not time for clarifications!

Mr. Sambu: Mr. Speaker, Sir, could you also clarify---

Mr. Speaker: Order, Mr. Sambu! Could you, please, organize yourself and ask one question at a time in the order of priority that you deem urgent? Begin with the first question!

Mr. Sambu: Mr. Speaker, Sir, may I ask two questions because I have already asked one?

Mr. Speaker: Ask one! You have about two minutes!

Mr. Sambu: Thank you, Mr. Speaker, Sir. I am very concerned about the workers. The Assistant Minister has not touched on the issue of the workers in his reply. Since the Government is the principal shareholder, could he confirm that the workers will be paid their salaries at the end of this month and that there will be no retrenchment?

Mr. Speaker: Mr. Assistant Minister, you have two questions there!

Mr. Muriithi: Thank you, Mr. Speaker, Sir. As to the first question I am aware of the Mackeen Study of 2006. I am, in fact, aware of earlier efforts, from 2004, when the Government constituted a taskforce to help this company to reform itself. However, I wish to set the record straight.

The Government of Kenya and related parties such as the Development Bank of Kenya, among others, are minority shareholders of this business. The Bayer Group of India, in conjunction with their sister company, the Orient Paper of India Limited, own, in fact, 54 per cent of this company. As to the question if we have considered the plight of the workers, the answer is "yes". The taskforce has been working very closely with the union to ensure that the interest of workers is secured.

Mr. Kombo: Thank you, Mr. Speaker, Sir. The PPM is in a coma at the moment. That is why this is a serious issue. What the taskforce has done and what the Assistant Minister has talked about is a long-term solution.

Mr. Speaker, Sir, at the moment, the PPM has no power to operate. What is he doing in the short-term, so that we revive the factory from the coma and not let it die because it will be very difficult to do anything about it?

Mr. Muriithi: Mr. Speaker, Sir, as I have already indicated, we have just put in Kshs140 billion in this business. We have summoned all the shareholders to emergency meetings to ensure that together and collectively as shareholders, we can ensure the survival of this vital enterprise.

Mr. Were: Mr. Speaker, Sir, how much money was required by the PPM to operate effectively? Out of the Kshs100 million which the Assistant Minister has said was factored in the 2008/2009 Budget, has he made it available to the PPM?

Mr. Muriithi: Mr. Speaker, Sir, Kshs140 million is already with the PPM and Kshs100 million is awaiting our agreement with the rest of our shareholders on a way to restructure this business. Therefore, the money will be available to the company.

Dr. Khalwale: Mr. Speaker, Sir, the Assistant Minister knows very well that the problem at the PPM is not the shortage of cash. It is because of the high cost of production.

Could he tell us what action he will take against this major shareholder, to ensure that the PPM uses cost effective technology of paper production?

Mr. Muriithi: Mr. Speaker, Sir, first and foremost, we have asked the management partners to make a reduction in the management fees from US\$1.2 million to US\$700,000.

On our part, we have reduced the cost of pulp wood from Kshs1,200 per cubic metre to Kshs700 per cubic metre. Further, we have agreed to capitalise Kshs490 out every Kshs700 that they should be paying to reduce the cost of production and thereby, help the PPM to survive.

Dr. Eseli: Mr. Speaker, Sir, will all the measures that have been put in place by the Assistant Minister, I doubt if this company will recover. The problem is the lopsided technical management agreement between the Bila Group of Companies and PPM. What is he doing to make sure that the next technical management agreement is favourable to Kenyans rather than being favourable to the Asian company, namely, Bila Limited?

Mr. Muriithi: Mr. Speaker, Sir, it is true that, in the history of this country, many technical and management agreements have been lopsided. It is also true that all the shareholders are negotiating to ensure that we move this country forward.

We need to ensure that the management restructuring, that goes back to the recommendations in the Mackeen Report that hon. Sambu has referred to, are, in fact, implemented. We should also ensure that we do not create conflict of interest by having a significant shareholder also managing the company.

Mr. Sambu: Mr. Speaker, Sir, on 13th May last year, in this honourable House, the former Minister for Industrialisation promised that he would give a long-term licence to the PPM and allocate 8,000 acres of land for biomass production within one month. To date, nothing has happened. Could he confirm that he misled the House?

Mr. Muriithi: Mr. Speaker, Sir, I am sure that hon. Sambu knows very well that we did not mislead the House. We went to the Cabinet and obtained an approval to do this, which we have done. We have, therefore, initiated the process. However, the Government must also act within the law. As I have explained, Cabinet approval has already been given. The Ministry of Forestry and Wildlife is working with PPM to ensure that the right documentation is concluded.

Mr. Sambu: On a point of order, Mr. Speaker, Sir. I want to read what the Minister said in this honourable House. On page 4 of the HANSARD, he said: "So, I can assure the hon. Member and the House that we will make sure that they get the long-term licence within one month". Below, he continued to say: "We will allocate them 8,000 hectares of land." That is what was captured in the HANSARD on 13th May, 2008. Did he not mislead the House?

Mr. Speaker: Mr. Assistant Minister, that is valid!

Mr. Muriithi: Mr. Speaker, Sir, as I have indicated already in my answer to this House, the Cabinet has given authority to the Ministry of Forestry and Wildlife to provide a long-term licence for 450,000 cubic metres of pulp wood per year.

The documentation of this has already been approved. Hon. Kombo has indicated that the main problem facing this company is the cost of production. Therefore, we have reduced the cost of production by reducing the royalty for pulp wood from Kshs1,200 to Kshs700 and further capitalising Kshs490 out of Kshs700. We are addressing ourselves to the key issue which is the cost of production.

Mr. Sambu: Mr. Speaker, Sir, I am still not happy with the answer. Could we then say that the Government does not walk the talk? It just talks, but nothing happens!

Mr. Speaker: Mr. Assistant Minister, the Member is concerned about the statement that you made in this House, to the effect that you would set aside a certain portion of land, whose acreage is specific, for PPM Ltd. for the purposes of production of raw materials that are necessary for paper production. What is your position on that statement?

Mr. Muriithi: Mr. Speaker, Sir, the statement is, in fact, materially correct. We have gone ahead to find existing forests for Pan Paper Mills (E.A.) Ltd. to log pulp wood. At that time, we promised Kshs8,000 hectares. We went further to say that this could be increased to 20,000 hectares as a long-term measure for PPM to grow its own pulp paper.

Mr. Speaker: In effect, he confirms that the Government is ready to give more than 8,000 hectares. If it is not given in the foreseeable future, please, return to the House!

DISCRIMINATORY PAYMENT OF TRANSPORT/
COMMUTER ALLOWANCE IN CIVIL SERVICE

Mr. C. Kilonzo: Mr. Speaker, Sir, I beg to ask the Minister of State for Public Service the following Question by Private Notice.

(a) Could the Minister confirm that when the Code of Regulations (COR) governing civil servants was revised in 2006, the Government agreed to provide transport/commuter allowance to civil servants who are not provided with Government transport and that on 11th April, 2007, the

Government agreed on the rates of commuter allowance as Kshs3,000 for Job Groups "A" - "F", Kshs4,000 for Job Groups "G" - "J" and Kshs6,000 for Job Groups "K" - "L"?

(b) What informed the Government's decision to provide commuter allowance for officers in Job Group "R" - "T" and decline to pay commuter allowance to officers in Job Groups "A" - "L"?

(c) Could the Minister explain the Government's refusal to sign the collective bargaining agreement prepared in May, 2007?

(d) What steps is the Government taking to correct the above anomalies?

The Minister of State for Public Service (Mr. Otieno): Mr. Speaker, Sir, I beg to reply.

(a) Yes, it is true that the Government had an intention to provide commuter allowance to all civil servants in phases, subject to availability of funds. At the time of the preparation of the revised edition of the Code of Regulations in 2006, discussions were ongoing within the Government to pay commuter allowance to all officers.

By the time these discussions were concluded and the Code of Regulations revised, it was anticipated that the Treasury would have made budgetary provisions to meet the commuter allowances expenditure. The Treasury has, however, not done so. The agenda of the commuter allowances remains on the collective bargaining negotiation process.

(b) A Treasury Circular No.6/98 of 11th June, 1998, provided for car entitlement for officers in Job Groups "R" and above, on the implementation of the new Transport Policy, which was to be effective from 30th June, 2006. The vehicle entitlement was withdrawn and the officers in Job Groups "R" - "T" were compensated with commuter allowances.

(c) The Government and the Union of Kenya Civil Servants prepared a Draft Collective Bargaining Agreement in 2007, but had not concluded negotiations on some issues. The Government decided to implement the harmonisation for pay groups "A" - "L", which was effected from July, 2008.

There are some eight issues which are still awaiting consensus and the parties to the collective bargaining agreement are continuing with their discussions. These issues include commuter and hardship allowances among others.

(d) A taskforce has recently been constituted to review the outstanding issues that are subject to these negotiations and would make recommendations to the Government as the collective bargaining process continues.

Mr. C. Kilonzo: Mr. Speaker, Sir, the most unfortunate thing is that senior civil servants, namely, Ministers, Assistant Ministers, Permanent Secretaries and anybody in Job Groups "R" - "T", decided that it is only them who should be paid commuter or transport allowance. They denied the common men in Job Groups "A" - "L" this allowance. Does the Minister believe that the decision to pay only themselves and ignore those in Job Groups "A" - "L" is right?

Mr. Otieno: Mr. Speaker, Sir, I agree with the hon. Member, but he will realise that the lower cadres are subject to the collective bargaining process while with regard to the upper cadres, the decision is made by the Government. The matter is being pursued. It is because of this unfairness that I had to accelerate the harmonisation of the pay structures from Job Groups "A" - "L" without having to wait for the completion of the collective bargaining agreement. That was implemented from July last year. The other miscellaneous issues remain on the agenda of the collective bargaining process and will be attended to appropriately.

Dr. Khalwale: On a point of order, Mr. Speaker, Sir. Is the Minister in order to mislead the House that the negotiations of the collective bargaining agreement are still going on, when, in fact, the collective bargaining agreement has already been completed and agreed upon? It is only that the Minister's representatives have refused to sign the agreement. Here is a copy of the completed collective bargaining agreement. I wish to table it.

*(Dr. Khalwale laid the document
on the Table)*

Mr. Otieno: Mr. Speaker, Sir, in my answer, I have said that the process produced a draft collective bargaining agreement, which has not been signed because not all the issues in it have been agreed to. I mentioned that there are eight other issues, separate from the issue of salary, on which consensus had not been achieved. The terms of the collective bargaining process as regards the Civil Servants Union continue every quarter. They are still continuing.

Mr. Were: Mr. Speaker, Sir, the Minister has indicated that there are issues which made his representatives not to sign the agreement. What are these eight issues?

Mr. Otieno: Mr. Speaker, Sir, with regard to the issue of salary increment, by 45 per cent, I harmonised with the rest of the system, but the Union needed the 45 per cent increase which has not been agreed to. The other issues include:- increase of the outpatient medical allowance, house allowance, pay disparities, handling of disciplinary cases, the role of Civil Servants Welfare Association, promotions and schemes of service and the level of the Union's representation. These issues have not been finalised, but they are accepted on the agenda.

Mr. C. Kilonzo: Mr. Speaker, Sir, could the Minister give us a timeframe within which the Government will start paying the junior civil servants commuter allowance?

Mr. Otieno: Mr. Speaker, Sir, we will start paying them commuter allowances when an agreement is reached between the Government and the Union of Kenya Civil Servants over the issue.

EXPOSURE OF NDIUNI RESIDENTS TO TOXIC WASTE MATERIALS

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

(a) Considering the health hazards posed to Ndiuni residents by the burning of toxic waste materials in a dumping site in Ngarariga, Limuru Constituency, could the Minister clarify how the site is managed and why NEMA has not taken any action against those responsible for dumping and burning waste material at the site?

(a) What is the Ministry doing to contain the pollution so as to avert a possible human catastrophe?

The Assistant Minister for Environment and Mineral Resources (Mr. Kiptanui): Mr. Speaker, Sir, I wish to request that you defer this Question until Thursday, so that we can get a sufficient and comprehensive answer.

Mr. Mwathi: Mr. Speaker, Sir, I am in agreement, but on a firm undertaking by the Assistant Minister that he will bring an answer on Thursday afternoon.

Mr. Speaker: Question deferred to Thursday afternoon.

(Question deferred)

Question No.4 by Private Notice is also deferred to tomorrow afternoon.

STOPPAGE OF TEACHING AT MARSABIT MOI GIRLS SCHOOL

(Mr. Chachu) to ask the Minister for Education:-

(a) Could the Minister explain why there has been no teaching at Moi Girls' Secondary School, Marsabit, since 3rd February, 2009?

(b) What urgent measures will the Minister take to ensure that teaching resumes at the school?

(Question deferred)

REINSTATEMENT OF INTERDICTED
PRISON OFFICERS

Dr. Monda: Mr. Speaker, Sir, I beg to ask the Vice-President and Minister for Home Affairs the following Question by Private Notice.

(a) Considering that the Government terminated the cases against the prison officers interdicted following the strike by warders last year, why have the officers not been reinstated to their jobs?

(b) When will they be reinstated?

The Vice-President and Minister for Home Affairs (Mr. Musyoka): Mr. Speaker, Sir, I wish to apologise to my good friend Dr. Monda, the Member of Parliament for Nyaribari Chache, and ask him whether he could bear with me. In fact, I have not even signed the answer to him because this matter was brought to my attention when I had just walked out of a Cabinet meeting. I feel that, to be able to do justice to this Question, it could be answered at the same time next week. Of course, in the meantime, we are doing a lot of investigations. That is if that meets the approval of Dr. Monda, Mr. Speaker, Sir.

Dr. Monda: Mr. Speaker, Sir, word going around indicates that we may go on recess by the end of this week. I am yet to be put right by the Chair. I do not know whether we shall be in the House on Tuesday next week, so that the Vice-President and Minister for Home Affairs would be able to answer the Question. I want to propose that the Vice-President and Minister for Home Affairs answers this Question on Thursday this week.

The Vice-President and Minister for Home Affairs (Mr. Musyoka): Mr. Speaker, Sir, my good friend is anticipating the business of this House. I have attempted to do that and earned the reproach of the Chair.

Although, on a lighter note, it is the work of the House Business Committee, we have not met to agree on whether or not to go on recess. I think the House does know that we have serious business to transact, mainly the matter of the election of commissioners of the Interim Independent Electoral Commission. But, be that as it may, should it happen that the House adjourns, indeed, before Thursday, then I want to welcome the Dr. Monda to my office for further discussions on this matter. That is because I know that a constituent of his is seriously affected by this matter.

Mr. Speaker: Dr. Monda, are you willing to go and discuss this matter further with the hon. Vice-President and Minister for Home Affairs?

Dr. Monda: Mr. Speaker, Sir, the Vice-President has indicated that he has an answer in his hands. He only wants time to peruse through and sign the answer. I do not think it will require that long time - beyond Thursday - so that I can go to his house, instead of answering the Question in this House. He can sign the written reply even now. I am ready to interrogate the answer that he has.

Mr. Speaker: Order! Order! Leader of Government Business, I thought you indicated, at the very outset, that the hon. Member for Nyaribari Chache is your friend. Why would he press you too hard even on a matter which you can agree easily?

The Vice-President and Minister for Home Affairs (Mr. Musyoka): Mr. Speaker, Sir, indeed, we are such good friends that the hon. Member thinks of coming home, and not to the office. But the answer I have is really not even satisfactory. I want to be able to do justice to this Question.

Mr. Speaker: The Question is deferred to Thursday afternoon. We will take it from there!

(Question Deferred)

ORAL ANSWERS TO QUESTIONS

Question No.373

DENIAL OF MEDICAL SERVICES TO

POLICE OFFICERS AT AFMH

Dr. Eseli asked the Minister of State for Provincial Administration and Internal Security:-

(a) why are the regular and administration police officers officer denied medical services at Armed Forces Memorial Hospital (AFMH) except in extreme circumstances;

(b) when the registration with the National Hospital Insurance Fund (NHIF) will be effected to ensure that officers are accorded affordable medical care; and,

(c) being prone to frequent critical injuries, whether a land and air ambulance system could be set up to back up the activities of the Police Department.

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, we have transferred parts (a) and (b) of the Question to the Department of Defence.

I have spoken to my friend, Dr. Eseli, and he has said that after receiving those answers, we will elaborately answer the rest.

Mr. Speaker: When do you want the matter to come back?

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, that will definitely depend on DOD. But let us try on Thursday next week.

Mr. Speaker: Next week Thursday! It is so ordered!
Next Question by Mr. Wamalwa!

*Question No.439*NUMBER OF POLICE OFFICERS
UNDER INTERDICTION

Mr. Wamalwa asked the Minister of State for Provincial Administration and Internal Security:-

(a) whether he could indicate the number of police officers currently under interdiction;

(b) whether he could explain the circumstances surrounding the interdiction of Police Superintendent Joseph Kasili Kundu (P/No.217751), a former DCIO Embakasi, as well as the status of his appeal; and,

(c) what measures the Government is taking to ensure that all such cases are finalized expeditiously.

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, this Question had been answered by myself. The only clarification which was remaining was the fact that hon. Wamalwa was asking about the appeal.

Mr. Speaker, Sir, I have since established that there was no appeal because the police officer was not dismissed. The police officer is under interdiction and we will wait for the conclusion of the court proceedings. The matter is in court.

Mr. Wamalwa: Mr. Speaker, Sir, that is correct. But that only satisfies the first aspect of the Question. The second part of the Question was looking at the large number of officers who have been interdicted by this Government. We are talking about 348 officers on interdiction and their cases have been pending for many years. What is the Government doing to ensure expeditious disposal of such cases? There are many other cases apart from Inspector Kundu's case.

Mr. Ojode: Mr. Speaker, Sir, it is, indeed, true that we have many cases which are still pending. But sooner or later, in a month's time, I think majority of those cases will be disposed of.

Dr. Monda: Mr. Speaker, Sir, could the Assistant Minister tell the House why the cases have taken that long and now, in a month's time, we are going to get answers to all of them?

Mr. Ojode: Mr. Speaker, Sir, we have to investigate disciplinary cases at length. We have to find out whether it is, indeed, true that some of my officers actually committed an offence. That is why we are not rushing the cases because the investigation team is going down to where the police officers were stationed.

So, after the cases are concluded, I will be able to report to this very House as to how far we have gone in respect of those who have been reprimanded and those who have been reinstated. I would like to request my colleagues to bear with us until the cases are concluded.

Thank you.

Mr. Speaker: Last question!

Mr. Wamalwa: Mr. Assistant Minister, do you have any intentions, as part of the reforms in the police force, of reviewing the Force Standing Orders, so that you can have a proper mechanism to ensure expeditious disposal of those matters?

Mr. Ojode: Mr. Speaker, Sir, yes, it is true that we are instituting reforms. Some of those cases will be dealt with by a Committee of this House.

Question No.557

CONSTRUCTION OF SYOMAKANDA/
SYOTUVALI BRIDGE

Mr. Nyamai asked the Minister for Roads:-

(a) whether he could explain why construction work on Syomakanda/Syotuvalli Bridge on River Athi, which links Kitui and Mbooni districts, has not started to date;

(b) what steps he is taking to ensure that the work starts without any further delay; and,

(c) what steps the Ministry is taking to construct two more bridges on River Athi to connect Kitui West Constituency and Makueni Constituency at the confluence of Thwake and Athi rivers.

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

(a) Construction work between Syomakanda in Kitui West Constituency and River Athi at Syotuvalli has not commenced because the bridge across the river at Syotuvalli and the approach roads on both sides of the bridge are under design by a consultant.

(b) It is planned to complete the design of the bridge and the approach roads before the end of March, 2009, following which the work will be prioritized among others for tendering.

(c) There are no immediate plans to construct two bridges on River Athi to connect Kitui West Constituency and Makueni Constituency at the confluence of Thwake River and Athi River. However, that request will be considered once the works under design are completed.

Mr. Nyamai: Mr. Speaker, Sir, I thank the Assistant Minister for the answer. This bridge was commissioned in 2003 by the then Minister for Roads, who is currently the Prime Minister of the Republic of Kenya. However, six years down the line, nothing much has happened. Could the Assistant Minister clarify who this consultant, who is doing the designs for the road, is?

Dr. Machage: Mr. Speaker, Sir, the design of Syotuvalli Bridge and the approach road is under design by M/s Howard/Humphrey Consulting Engineers at Kshs15.9 million. The designing work started in September, 2008.

Mr. Speaker: Last question, Mr. Nyamai!

Mr. Nyamai: Mr. Speaker, Sir, the Assistant Minister, in his answer to part "c", is saying that the request for the two additional bridges will be considered once the designs are completed. Which designs is he referring to, because the additional bridges that I am requesting are separate from the one at Syotuvalli?

Dr. Machage: Mr. Speaker, Sir, they will be considered once the designs of the current work are completed. I am aware that this is a different bridge altogether.

Question No.568

IRREGULAR SALE OF UTILITY PLOTS
BY FARMERS COMPANIES IN EMBAKASI

Mr. Waititu asked the Deputy Prime Minister and Minister for Local Government:-

- (a) whether he could provide a list of public utility plots, by number and size, for schools, hospitals, playgrounds, open spaces in Embakasi Ranching, Ngundu, Njiru, Githunguri, Buruburu, Karagita and Drumvalue Farmers Companies;
- (b) considering that most of the plots have been irregularly sold by the directors of the said companies, what action he is taking to ensure that these pieces of land revert to the public and title deeds cancelled; and,
- (c) what action he is taking against the directors and Ministry of Lands officials involved in the irregular acquisition of public utility plots.

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): Mr. Speaker, Sir, I beg to reply.

- (a) The following are the details of the public utility plots by number and size.

(i) Drumvalue Farmers Company and Ngundu Farmers Company, plot LR No.11594, Komarock/Kangundo Road; three public purposes plots of 18.6 hectares, three secondary schools, 2.8 hectares, six primary schools, 16.6 hectares, nine nursery schools, 2.5 hectares, one borehole, 1.4 hectares, four special purposes plots, 3.64 hectares, one hospital, 5.26 hectares, two dispensaries, one hectare, one health centre, 0.4 hectares.

(ii) Komarock Phase IV and V, LR No.1344R Komarock Road; sports complex and trading centre, 8.15 hectares, public purposes plots, 0.13 hectares, health centre, 0.2 hectares, nursery school, 0.2 hectares, open space, 0.7 hectares.

(b) My office is not aware of the irregular sale of plots by directors of the said companies. However, if the irregular sale can be proved, then the relevant arms of Government will be called upon to take the necessary action. Cancellation of title deeds does not fall under my Ministry's jurisdiction, as this is done by the Ministry of Lands.

(c) Directors of farmers companies and associations can best be handled by the relevant arms of Government, for example, the Registrar of Companies.

Mr. Waititu: Mr. Speaker, Sir, the issue of public utilities in Embakasi is a big problem. When we want to construct schools, we normally go to the City Council, but in most cases we find that part of the land that is supposed to be for the construction of a school has already been grabbed. We are supposed to be protected by the Ministry of Local Government, but it has not done so.

There is a very painful case involving one hon. Member who is here in this Parliament---

Mr. Speaker: Please, come to your question!

Mr. Waititu: Mr. Speaker, Sir, what is the Assistant Minister doing to make sure that a particular plot which was grabbed by an hon. Member of this House, of 1,000 acres, will revert to public use?

Mr. Githae: Mr. Speaker, Sir, I am not aware of the exact details of the case that the hon. Member is referring to. If he gives me the title deed, then I can answer the question.

Mr. Mbugua: Mr. Speaker, Sir, I would like to ask the Assistant Minister what he is doing with regard to the issuance of an allotment letter to Gikomba Market. That market has been burnt time and again by councillors. The Assistant Minister should tell us what he is doing in order to avert that.

Mr. Githae: Mr. Speaker, Sir, again, unless I am given specific details--- In Gikomba Market,

there are some plots which are privately owned and there are others that are also owned by the Nairobi City Council. There are also others where temporary allotment letters have been issued.

So, we should be specific as to which ones we are talking about. This is because there is no clear division between the ones with title deeds and those with provisional allotment letters, as well as the ones owned by the City Council.

So, until I get specific details, I cannot give a specific answer. Land problems are unique. One problem is different from another and, therefore, the solution will also be different.

Mr. Speaker: Last question, Mr. Waititu!

Mr. Waititu: Mr. Speaker, Sir, I seek your indulgence with regard to this Question. This is because the Member who has grabbed these 1,000 acres of land is in the forefront in this Parliament trying to show that he is fighting corruption, while he--

Mr. Speaker: Order, Mr. Waititu! The Standing Orders do not allow you to discuss the conduct of an hon. Member without bringing a substantive Motion. So, you will have to refrain from continuing on that line of questioning.

Mr. Waititu: Mr. Speaker, Sir, I have a copy of the title deed of the grabbed land in Ruai. I also have a copy of the letter that shows that he has taken a loan of Kshs1.6 billion from a bank in--

Mr. Speaker: Order! You cannot table those documents! My direction still stands; that you cannot discuss the conduct of a Member without bringing a substantive Motion. So, you cannot table documents which are supposed to be evidence that some hon. Member has grabbed land.

Ask a question!

Mr. Waititu: Mr. Speaker, Sir, could the Assistant Minister tell this House what steps the Ministry is taking in light of the meeting of the full Council which revoked the allocation of those 1,000 acres of land?

Mr. Githae: Mr. Speaker, Sir, indeed, I am aware that the Nairobi City Council has revoked the allotment of 1,000 acres of land. Now, I know that piece of land that he is talking about. The Nairobi City Council has commenced the process of revoking the illegal grabbing of this land.

Mr. Speaker, Sir, therefore, it has just started. From there, we intend to seek the assistance of the Ministry of Lands. The only problem is that this land, again, was charged to a finance company which collapsed and was taken over by the Central Bank of Kenya. Now, it is being held as title for the Deposit Protection Fund.

Mr. Speaker, Sir, So, we need to strike a balance, because some depositors also lost their money in this bank.

So, the process is quite complicated, but it has started.

Question No.645

IDENTIFICATION/MANAGEMENT OF
STUDENTS WITH LEARNING
DISABILITY DISORDERS

Mr. Lekuton asked the Minister for Education:-

- (a) whether he could list the most common learning disability disorders affecting most students in Kenya and provide an update on the measures education institutions have in place to identify and manage students with learning disabilities;
- (b) whether he could further table the percentage of students in both secondary and primary schools with Attention Deficit Disorders (ADD) and Attention Deficit Hyper Disorders (ADHD); and,
- (c) what measures the Ministry is taking to make sure that these students are assisted to pursue education normally.

The Minister for Education (Prof. Ongeru): Mr. Speaker, Sir, I beg to reply.

(a) The most common learning disability disorders affecting most children in Kenya are hearing impairment, visual impairment, intellectual or mental retardation, physical deformity, failure to recognise letters, numbers and words, which brings about reading problems, popularly known as dyslexia, lack of comprehension, behavioral and social disorders and autism. Educational institutions have taken the following measures to identify and manage students with learning disabilities.

(i) Conducting screening activities at the Educational Assessment and Resource Centres (EARCS) to identify students with learning disabilities.

(ii) All our trained teachers in the country have skills to conduct remedial teaching to assist children with learning disability disorders.

(iii) Provision of individualised educational instruction, remedial teaching and psycho-social support.

(iv) Organised co-curricular activities for learners with disabilities.

(b) According to the Kochong Report of 2003, 10 per cent of the total Kenyan population have various types and degrees of disabilities. Out of the 9.5 million school going children, about 95,000 have various disabilities. Of these, only 45,000 are receiving some form of educational instruction in special education programmes and in regular schools. However, it is known that children with disabilities join regular schools without assessment and identification due to ignorance and attitudes of parents.

In order to identify the number of children with disabilities, the Ministry has already initiated a national survey, which will determine the actual numbers and percentages of children with disabilities. That will in turn provide for planning educational intervention programmes for children with special needs.

(c) The Ministry has taken the following measures to address these issues:-

(i) beef up support for special needs education learners by giving extra financial support to the tune of Kshs1.86 billion since 2003;

(ii) strengthened the capacities of assessment centres in the districts for early identification, assessment and placement of learners with disabilities;

(iii) established more special schools and special units throughout the country;

(iv) improvement of school environment to be disability friendly, and posted special education teachers in readiness for inclusive education;

(v) enhanced the capacity of the Kenya Institute of Special Education (KISE) to train more teachers, both under the residential and in-service training programmes;

(vi) introduced new courses at KISE, for example in deafness blindness and autism;

(vii) KISE has been running certificate and diploma courses for teachers in special needs education to ensure that all the primary schools have a specially trained teacher to handle students with learning disabilities by 2015. So far, 11,500 special teachers have been trained;

(viii) developed sign language as an optional examinable subject in the Kenya Certificate of Secondary Education (KCSE) Examinations, and;

(ix) developed and adopted curriculum at all levels for learners with special needs.

Mr. Lekuton: Mr. Speaker, Sir, I had asked the Minister to table the percentage of students with ADD and ADHD, but I did not see him table it. Nevertheless, I will continue. Children with learning disabilities suffer discrimination and stigmatisation at school as well as at home.

There are thousands of students in this country who happen to go through that process every day. To speak from my experience, coming from northern Kenya, we refer to those students as foolish. Could this Ministry guarantee us that when every child goes to school they will be monitored, so that children who cannot write or read are taken care of?

Prof. Ongeru: Mr. Speaker, Sir, I am sure the hon. Member appreciates that the category of students he is mentioning has a specific disorder. They have a very short attention span. It is not just a

condition; it is a syndrome which is characterised by a variety of characteristics that emanate from either physical harm or damage during delivery. Those are the physical disabilities! Others may be as a result of abuse, in which case they are preventable situations. But the most serious one is the one which is caused by Lead poisoning, and exhibit hyperactivity and, indeed, have those typical symptomology, which gives a false picture that they are children who have a short attention span. Therefore, one has got to learn to separate the two categories of those who have physical disabilities as a result of either autosomal problems, which are called biological causes, and those that are hereditary, which are then traced to the family history.

Therefore, it is not the job of the teachers only at the special needs assessment centres, but is a collective responsibility for the parents, teachers and the community. They need to have adequate information on how to handle these children. I agree with the hon. Member that, indeed, they have immense challenges. Those challenges can be catalogued; they are about 20; I do not want to bore the House by doing so. Those are the children who do not stop, look or listen and, therefore, their attention is distracted all the time. They are children who will jump to places where angels would fear to tread. They are children who speak out of turn. They are children who impulsively interrupt adults and you almost mistake them for being extremely rude, particularly in the culture Mr. Lekuton comes from. Therefore, this is a special category of children, which requires a special needs assessment. As I have already said, we have KISE, which is already churning out teachers to provide specialised attention to these children.

Mr. Nyambati: Mr. Speaker, Sir, I am happy that the Minister appreciates the difficulty that our children with disabilities have. Given that we have thousands of these children in the country, who are suffering and need to be taken care of, and given that it is the nation's responsibility to ensure that these children are catered for, what plans does the Government have to ensure that, at least, we have a school for this calibre of children in every district to take care of those children?

Prof. Ongeri: Mr. Speaker, Sir, Mr. Nyambati should be aware that there are already 11,500 such centres dotted throughout the Republic of Kenya. Secondly, indeed, the Ministry is abreast with of the special needs assessment for these children, because they do not belong to the normal category of children, yet we want to integrate them in the normal learning situations. Therefore, they need extra attention in order to take care of their special conditions.

To this end, my Ministry has, indeed, done a needs assessment for that category of children. There is a national survey which is currently ongoing and, by August, we should be able to assess the extent to which we can assist these children. We have provided additional capitation over and above the normal capitation that we give to a normal intelligent child. These are children with an Intelligence Quotient (IQ) of below 70 per cent. I have already given you what I think is a global survey of 10 per cent of the population of students who are going to class, numbering about 95,000.

Currently, we are able to reach only 45,000, but we intend to capture the additional 40,000. I suspect there could be more there. Once we have a very acute way of detecting them, we should be able to net them into educational programme.

Mr. Lekuton: Mr. Speaker, Sir, the Minister seems to be very informed about this issue. I really appreciate it. Kenya is ranked among the world's leading countries in terms of income disparities. That is precisely why I am cautioning this Ministry to make sure that we do not have that big gap between bright students and those who are considered foolish. They are not foolish, it is only that they do not get the attention they need. He has said that there is a national survey coming up. Could he guarantee this House that when they receive the results of that survey, they will appropriately locate schools for special needs and ensure that teachers who have been trained are posted to the respective schools? I do not know the existence of any such institution in northern Kenya, at least, in the larger upper Eastern region.

Prof. Ongeri: Mr. Speaker, Sir, sometimes, I do not want to be over simplistic in assigning this issue to, simply, children who are clever, who may require education alone. It is important that we

work in contact with the Medical Department to be able to delineate. There are those who have violence tendencies. There are those who are reckless. There are those who smack and smack. There are also those who, in fact, cause a lot of harm. Some of these conditions exhibit what you call "violence hyperactive state." When they have that hyperactive state, that is a treatable condition.

From my professional point of view, 70 per cent are treatable conditions. These are the particular cases we need to identify and be able to diagnose their conditions. If we can assign a cost-effect relationship, these are cases in which we can tone down the treatment to a manageable level. Therefore, they can go under normal studies, instead of exhibiting this hypertonic situations. These are manageable situations. I promise the hon. Member that, once the results of the survey are out, we shall be able to share them with this House. It is in our interest. Come 2015, we want to have education for all. Even this category of children with special needs will be catered for.

Mr. Speaker: Next Question, Mr. Mbugua!

Question No.620

COMPLETION OF MUTHURWA
MARKET

Mr. Mbugua asked the Deputy Prime Minister and Minister for Local Government:-

- (a) when he will complete the construction of Muthurwa Market; and,
- (b) whether he could ensure that public service vehicles do not ply through Muthurwa Estate.

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): Mr. Speaker, Sir, I beg to reply.

(a) The main building works were completed on 11th March, 2008 as more traders were allowed to use the facility. The substantial completion certificate was issued to the contractor on 11th March, 2008. The project is currently under defect liability period, which is due to end on 11th March, 2009. During this period, the contractor is correcting any notable defects on the works.

(b) My Ministry is aware that public vehicles are currently using the estate road to the bus park, as a diversion.

The Ministry has already procured a contractor, under Contract No.MLC/01/10/2007-008, at a cost of Kshs51.8 million to undertake an extra two lane to the bus park, starting at the Jogoo Road/Landhies Road Roundabout. The works are scheduled to commence this month for a contract period of four months. Upon completion of the two lanes, the public vehicles will be routed to the newly constructed road.

Mr. Mbugua: Mr. Speaker, Sir, this Assistant Minister is on record having told this House that engineers who supervise shoddy work would be acted upon.

Mr. Speaker, Sir, the construction of Muthurwa Market was a very good idea, but it was shoddily done. The contractor has already been paid almost Kshs800 million. What steps is he taking to ensure that action is taken against the engineers who colluded with the contractor to do shoddy work?

Mr. Githae: Mr. Speaker, Sir, no shoddy work was done. The cause for the diversion, which is what I think is not quite right with the hon. Member, is that, at that time, the market had 426 parking bays, but currently, there are more than 3,000 *matatus* using the parking space. So, this was not foreseen. The moment this heavy traffic was noted, the Ministry started preparing for a two-lane road to connect the market with the roundabout. So, it is not that the work was shoddily done.

Mr. Speaker, Sir, it would not have been possible to know the kind of traffic that would be entering the market. The other reason there is heavy traffic is because of the missing link between Mombasa Road and Jogoo Road, which has since been done. That has also diverted out some traffic.

So, no work was shoddily done. This was not envisaged.

Mr. Speaker, Sir, on behalf of the Ministry, I would like to apologise to the people of Muthurwa for the dust they are currently experiencing. I would like to assure the hon. Member that the contract will be issued this month, and that within four months, the dust and inconveniences of the people of Muthurwa will be a thing of the past.

Mr. Chanzu: Mr. Speaker, Sir, could the Assistant Minister tell this House what was the original contract sum for this project? What caused its variation to Kshs800 million?

Mr. Githae: Mr. Speaker, Sir, there was no variation. Mr. Mbugua alleged that the contractor has been paid about Kshs800 million, but the exact cost was Kshs720 million.

Mr. Mwathi: Mr. Speaker, Sir, we have heard that the Ministry will improve Muthurwa Market. However, we realise that so many other very important markets in this country need to be improved, because local authorities have been collecting fees from the people who use them. What policy framework does the Ministry have to improve markets countrywide?

Mr. Githae: Mr. Deputy Speaker, Sir, we have, indeed, realised that markets are very important, if we are to eradicate poverty and create employment in this country. Therefore, my Ministry is in the process of developing markets in all the major towns in this country. The markets we are proposing to develop will actually give some livelihood to the people, so that hawkers are not seen as enemies, but rather as agents of development.

Concerning investment, it is true that local authorities have not been investing in market. They have just been collecting market fees without even cleaning those markets or ensuring that they have toilets. We have now instructed them that they must use a certain amount of the money they collect to invest in the markets.

They must feed the cow that gives them milk. We are going to ensure that this is done. We have allowed them to use part of the Local Authorities Transfer Fund (LATF) money to do this. We have said they must reduce the personnel costs on LATF money and invest, at least, 65 per cent of it on capital projects like markets.

Mr. Speaker: Last question, Mr. Mbugua!

Mr. Mbugua: Mr. Speaker, Sir, the answer given by this Assistant Minister is not right. He is telling this House that *matatus* are passing through Muthurwa Market. In case he has never visited that Muthurwa Terminus, let me inform him that there are no *matatus* which pass through Muthurwa Market. They pass through Muthurwa Estate. He is misleading the House by saying that *matatus* pass through Muthurwa Market. What measures is he taking because there are children who have been affected?

Mr. Speaker: It is Question Time!

Mr. Mbugua: Mr. Speaker, Sir, what action is the Assistant Minister taking to protect those children who have become sick as a result of being exposed to the dust caused by the *matatus* which pass there?

Mr. Githae: Mr. Speaker, Sir, I apologised because of the dust that the vehicles are blowing up in Muthurwa Estate. I am aware of where Muthurwa Estate is and where Muthurwa Market is. I have been there and observed---

Mr. Chanzu: On a point of order, Mr. Speaker, Sir. Mr. Mbugua asked what the Assistant Minister is doing about the dust that is being generated there. Is the Assistant Minister in order to evade that question and start explaining that he knows where Muthurwa is? He is not telling the House what action he is taking.

Mr. Speaker: Mr. Assistant Minister, you are out of order. I do not know why you were not sensitized by the Leader of Government Business that we would want to move to a situation where Ministers answer Questions briefly and precisely. So, just answer the question.

Mr. Githae: Mr. Speaker, Sir, I thought it was important to dispute those accusations that I have not been to Muthurwa. I have been to Muthurwa. Within the next four months, the dust,

inconveniences and cases of children being run over by *matatus* will be over.

I would only ask the hon. Member some little indulgence. Within four months, all the problems will be over and his constituents will be happy with him. The children will not to be run over by *matatus*. It will be a plus on him.

Question No.660

TERMINAL DUES FOR FORMER EMPLOYEES
OF DEFUNCT EAST AFRICAN COMMUNITY

Mr. Yakub asked the Minister for East African Community:-

(a) whether he could explain what became of the country's entitlement in the defunct East African Community as well as the terminal dues of the Kenyan employees in the community; and,

(b) whether he could further inform the House how much the British Government paid as terminal benefits for Kenyans working for the defunct community and clarify whether the money was paid to deserving persons.

The Minister for East African Community (Mr. Kingi): Mr. Speaker, Sir, the Ministry of East African Community was created in the Financial Year 2004/2005. However, when the former East African Community collapsed, the assets and liabilities were placed under the custody of the Ministry of Finance and Planning. These assets were never transferred to my Ministry.

Since this Question relates to a time period before the current Ministry was created, the Question raised by the hon. Member will be competently answered by the Ministry of Finance and the Ministry of State for Planning, National Development and Vision 2030, separately or jointly.

Mr. Speaker: Very well! I think the Question will have to be referred to the Ministry of Finance. It looks like a simple Question. It will come on Thursday this week. That brings us to the end of Question Time.

(Question deferred)

I understand there are two Ministerial Statements. The first one is from the Ministry of Information and Communications and the second one from the Ministry of State for Provincial Administration and Internal Security.

Let us begin with the Ministry of Information and Communications. We will just have two Ministerial Statements. We do not have time for more.

MINISTERIAL STATEMENTS

CLOSURE OF GATEWAY
TELEVISION

The Assistant Minister for Information and Communications (Mr. Khaniri): Thank you, Mr. Speaker, Sir. I rise to issue a Ministerial Statement. Two weeks ago the Member for Gem, Mr. Jakoyo Midiwo, rose on a point of order to request for a Ministerial Statement from my Ministry in regard to the closure of the Gateway Television (GTV). It is in this respect that I beg to give the following Statement:

On 30th of January, 2009, Gateway Broadcast Services, that is the GTV parent company announced that its Board of Directors had unanimously approved a plan to liquidate the company. In its statement, the company stated that the current financial and global crisis had severely interrupted

the company's ability to secure further funding for the continued operation of the business.

Mr. Speaker, Sir, hon. Members may wish to note that the GTV, Kenya Office was originally incorporated on 11th September, 2006, as Jiliwa Limited. With the sanction of a special resolution of the said company and with the approval of the Registrar of Companies, it changed its name to GTV Kenya Limited on 11th October, 2006. The company has given the names of Julian Alexander McIntyre and Peter Emmanuel as its directors. The company's offices were located at Riverside Drive, Riverside Green, Block One, in Nairobi. The company applied for and received a VISAT licence from the Communications Commissions of Kenya (CCK) on 3rd September, 2007.

Bearing in mind that the company is now in liquidation, a liquidator has been appointed in London, United Kingdom, to settle the final matters pertaining to the company. The cessation of normal trading under the position of the Companies Act in Kenya, Cap.486, Laws of Kenya, may anticipate the incorporation of provable claims from creditors including subscribers as provided for under the Companies Act. GTV Kenya had 40 permanent employees led by the country manager, Charles Waitika. At the time of its closure, it had 90 employees on commission as sales representatives.

It has been reported to me that the permanent employees have been paid their terminal dues in full. The employees on commission may have to await a reconciliation process on their accounts for settlement, a process that may be undertaken through the mode of cessation of normal trading.

The Ministry regrets the fall of this company and in anticipation of such occurrences, the Government, through the Kenya Communications Amendment Act of 2008 has now empowered the Communications Commission of Kenya to license and regulate subscription TV broadcasting services, among others.

Mr. Speaker, Sir, in addition, hon. Members may also further note that the Consumer Protection Bill which was laid on the Table by Mr. Midiwo will also go a long way towards protecting consumers from such unfortunate circumstances once enacted.

Thank you, Mr. Speaker, Sir.

Mr. Speaker: Any clarifications? Very well. Mr. Assistant Minister, you have done well. Nobody is seeking clarification!

The next Statement is from the Ministry of State for Provincial Administration and Internal Security.

ARREST AND DEATH OF MR. JEREMIAH MUNENE

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, on 11th February, 2009, the hon. Member for Juja, hon. George Thuo, rose on a point of order and requested for a Ministerial Statement from the Minister of State for Provincial Administration and Internal Security with regard to the arrest and death of Mr. Jeremiah Munene.

Mr. Speaker, Sir, on 4th February, 2009, at around 11.30 p.m., an accident involving a motor vehicle Registration No.KYY 445 driven by one Mr. Jeremiah Munene occurred along Gachororo-JKUAT University Road. The vehicle had veered off the road and rammed into a butchery *jiko*; a charcoal burner owned by one Mr. Paul Ngei. After the accident, a heated argument ensued between the driver, Mr. Jeremiah Munene, and the owner of the butchery, Mr. Paul Ngei.

The accident was reported at Juja Police Station and officers PC Thomas Baya P.No.63578, who was the driver and PC Joseph Munyao P.No.47441 proceeded to the scene of the accident where they found the two people still arguing. The owner of the vehicle which had caused the accident was extremely drunk and, after the normal accident procedures, the officers decided to take Mr. Munene to the police station with an intention of taking him to a doctor to certify drunk and driving at the same

time.

Mr. Speaker, Sir, at around 4.00 a.m., the driver complained of not feeling well and was rushed to Thika District Hospital, where he died on arrival.

Mr. Speaker, Sir, on 12th February, 2009, a postmortem was performed on the body of the deceased. The pathologist, after the post mortem, could not outrightly confirm the cause of the death. Some samples of vital organs, which include the liver, kidney and blood samples were sent to the Government Chemist for analysis. The results are still being awaited for.

Mr. Speaker, Sir, an Inquest File No.1/2009 has been opened and investigations are still going on. The police file will be sent to the Attorney-General as per the regulations in Section 386 of the Penal Procedure Code.

Thank you, Mr. Speaker, Sir.

Mr. Speaker: Mr. Thuo? Mr. Assistant Minister, will you note that clarification?

Mr. Thuo: Thank you, Mr. Speaker, Sir. I wish to thank the Assistant Minister for his reasonably good Ministerial Statement.

Mr. Speaker, Sir, I do not want to engage him in a witch hunt, even though the facts before me are a bit different. But if I acknowledge that they are doing the right work, may I clarify from the Assistant Minister the following:-

(a) That in order to safeguard or, rather, what will you do to safeguard the integrity of the investigation, given that the officers we suspect to have been involved in that brutal death are based at that police station?

(b) Secondly, Mr. Speaker, Sir, I would like him to clarify the following: That is not the first time we have had a problem with Juja Police Station. There has been hue and cry, out of the entire Juja District, that, that is a problem area! What are you doing to ensure that we get officers who are serious with their work; that will protect the public and that will instill confidence in the people of Juja Town in the Police Force? That is because, at the moment, I assure you that the people of Juja have no faith in the entire Police Force within the area of operation!

Mr. Speaker: Hold your horse, Mr. Assistant Minister! Is there anybody else seeking clarification on this matter?

Mr. Assistant Minister, you may then proceed!

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Speaker, Sir, in order for us to restore sanity within Juja Police Station, we have decided that all police officers within Juja Police Station must be transferred!

(Applause)

Mr. Speaker, Sir, we are saying that because, one, in order for us to get an investigation report that will bring confidence to the Police Force, we must transfer all those police officers, including the Officer Commanding Station (OCS)!

Mr. Speaker, Sir, once the samples have been analyzed, we will report to the Questioner what will have been identified by the Government Chemist.

Mr. Mwathi: On a point of order, Mr. Speaker, Sir. While we thank the Assistant Minister for saying that he will transfer all the police officers, is he in order to tell us that he is going to transfer problems from one area to another? If they are not performing, you dismiss them! Otherwise, you will transfer the same problems from one station to another!

(Applause)

Mr. Speaker: Order! Order! Order! Mr. Assistant Minister, you should not respond to that. That is not a point of order at all! That is a point of argument or, at the very best, an alternative

opinion. Mr. Assistant Minister, you should not respond!

POINTS OF ORDER

CRISIS IN SUGAR-CANE FARMING IN THE COUNTRY

Mr. Okemo: Mr. Speaker, Sir, I was expecting a Ministerial Statement from the Minister for Agriculture today. If you remember, the Minister promised before this House that the Statement would be ready today - Tuesday. But I received a casual call from one of his Assistant Ministers saying that they were not ready, but for the record, I really would like to protest very strongly because the Ministerial Statement has far-reaching implications for the sugar-cane farmer. I did not ask for the Ministerial Statement casually for information. There were a number of actionable things that I required from the Minister.

So, could Mr. Speaker, Sir, please, save me by insisting and getting an assurance or an irrefutable promise that the Statement will be made before Parliament goes on recess? That is because this is really a matter of very grave importance?

The Assistant Minister for Agriculture (Mr. Ndambuki): Mr. Speaker, Sir, we apologise for the inconvenience caused. But by 11 a.m. this morning, we had not received what he had requested for. But I managed to get it from the other section and now the Question is being dealt with. I want to promise him that we are not handling it casually, as he has said. We will bring a proper answer to this House on Thursday. That is exactly what I agreed with the hon. Member.

Mr. Speaker: Mr. Assistant Minister, are you now giving an irrevocable undertaking?

The Assistant Minister for Agriculture (Mr. Ndambuki): Mr. Speaker, Sir, I am doing so!

Mr. Speaker: Very well. But note that the consequences will be equally weighty, if you do not honour that undertaking!

What is it, Mr. Affey?

FATE OF FORMER ECK STAFF

Mr. Affey: On a point of order, Mr. Speaker, Sir. I rise to seek a Ministerial Statement from the Minister of State for Public Service. Following the disbandment of the Electoral Commission of Kenya (ECK) as a result of the Constitution of Kenya (Amendment) Bill by Parliament on 16th December, 2008, the ECK staff were sent on compulsory leave through a circular from the Office of the President that denied those employees even an opportunity to pick their private available items from their offices.

Mr. Speaker, Sir, I want the Minister to clarify the following:-

That failure, either to redeploy them as promised or pay them any financial package has led to the following conditions. Many of the employees have been evicted from their homes due to non-payment of rent. Many of the children of those employees have failed to report to schools because of failure to pay school fees.

Mr. Speaker, Sir, on a more serious note, due to the sudden loss of income and frustrations, three former members of staff of the defunct ECK have already died and many more are in hospitals in critical condition.

Mr. Speaker, Sir, the Minister will also be expected to explain why the Government has failed to pay even those left behind legally like the Registrar of Political Parties. To date, these officers who have been left behind legally have not been paid. I would like to get this Ministerial Statement as soon as possible.

The Minister of State for Public Service (Mr. Otieno): Mr. Speaker, Sir, we have prepared

a detailed transition plan but as the hon. Member is aware, the matter became so controversial that I needed approval---

Mr. Speaker: Order, Mr. Minister! Are you able to give a comprehensive statement now or will you do so later?

The Minister of State for Public Service (Mr. Otieno): Mr. Speaker, Sir, I can give now but if you need the written answer, I can give it tomorrow afternoon.

Mr. Speaker: Very well. It is ordered that the Ministerial Statement be given tomorrow afternoon.

COMMUNICATIONS FROM THE CHAIR

ASSENT TO BILLS

Mr. Speaker: Order, hon. Members! Before we move to the next Order, I have the following communication to make:-

Hon. Members, I wish to inform you that pursuant to Section 46(3) of the Constitution of the Republic of Kenya which *inter alia* states that:-

"The President shall, within 21 days after the Bill has been presented to him for assent under Subsection 2, signify to the Speaker that he assents to the Bill or refuses to assent to the Bill."

His Excellency the President has assented to the following Bills:-

(1) The Constitution of Kenya (Amendment) Bill, Act No.3. The Third Reading was on 18th March, 2008. Assent was given on the same day.

(2) The National Accord and Reconciliation Bill, Act No.4. The Third Reading was on 18th March, 2008. Assent was given on 20th March, 2008.

(3) The Supplementary Appropriations Bill, Act No.5. The Third Reading was on 14th May, 2008. Assent was on 20th May, 2008.

(4) The Truth, Justice and Reconciliation Bill, Act No.6. The Third Reading was on 23rd October, 2008. Assent was on 28th November, 2008.

(5) The Appropriation Bill, Act No.7. The Third Reading was on 27th November. Assent was on 11th December, 2008.

(6) The Finance Bill, Act No.8. The Third Reading was on 25th November, 2008. Assent was on 15th December, 2008.

(7) The Constitution of Kenya Review Bill, Act No.9. The Third Reading was on 4th November, 2008. Assent was on 11th December, 2008.

(8) The Constitution of Kenya (Amendment) Bill, Act No.10. The Third Reading was on 16th December, 2008. Assent was on 24th December, 2008.

(9) The Criminal Procedure (Amendment) Bill, Act No.11. The Third Reading was on 16th December, 2008. Assent was on 24th December, 2008.

(10) The National Cohesion and Integration Bill, Act No.12. The Third Reading was on 27th November, 2008. Assent was on 24th December, 2008.

(11) The Anti-Counterfeit Bill, Act No.13. The Third Reading was on 10th December, 2008. Assent was on 24th December, 2008.

(12) The Sacco Societies Bill. The Third Reading was on 13th November, 2008. Assent was on 24th December, 2008.

(13) The Accountants Bill, Act No.15. The Third Reading was on 11th December, 2008. Assent was on 24th December, 2008.

(14) The International Crimes Bill, Act No. 16. The Third Reading was on 11th December, 2008. Assent was on 24th December, 2008.

(15) The Kenya Communications (Amendment) Bill, Act No.1 of 2009. The Third Reading was on 10th December, 2008. Assent was on 30th December, 2008.

(16) The Biosafety Bill, Act No.2 of 2009. The Third Reading was on 9th December, 2008. Assent was on 12th February, 2009.

PRESIDENTIAL MEMORANDUM ON
FISCAL MANAGEMENT BILL

Hon. Members, His Excellency the President has declined to assent to the Fiscal Management Bill 2008 and has submitted a memorandum to my office giving reasons why he has not assented to the Bill and he has proposed recommendations for your considerations. I will present the Presidential Memorandum to the House tomorrow, Wednesday, 18th February, 2009 at 2.30 p.m.

I thank you.

Mr. Imanyara: On a point of order, Mr. Speaker, Sir. Arising out of what you have just said and given that the President was required to give this communication within 21 days, before you present that memorandum to the House, could the Attorney-General confirm when he sent the Bills to the President for assent, so that we can know why there has been so much delay in sending this memorandum?

(Applause)

Mr. Speaker: I can see the Attorney-General is not here. So, Leader of Government Business!

The Vice-President and Minister for Home Affairs (Mr. Musyoka): Mr. Speaker, Sir, I will communicate with the learned Attorney-General and be able to make a response to what the Member for Imenti Central requires.

Mr. Speaker: Next Order!

COMMITTEE OF THE
WHOLE HOUSE

THE PROCEEDS OF CRIME AND ANTI-
MONEY LAUNDERING BILL

(Order for Committee read)

*(Mr. Speaker consulted the
Clerk-At-the-Table)*

Mr. Speaker: Order, hon. Members! We are at Order No.7 and I have been informed, belatedly though, because I would have expected the Minister in charge of this portfolio to rise as soon as the Order was called, to indicate that his Ministry is not ready to proceed with this matter.

However, I am similarly told that the Departmental Committee which oversees that Ministry is not ready with its report. In those circumstances, therefore, I will defer this Order to Thursday afternoon.

(Committee of the whole House deferred)

Next Order!

[Mr. Speaker left the Chair]

*[Mr. Deputy Speaker took
the Chair]*

MOTIONS

ADOPTION OF REPORT ON PYRETHRUM BOARD OF KENYA

Mr. Mututho: Mr. Deputy Speaker, Sir, I beg to move the following Motion:-
THAT, this House adopts the Report of the Departmental Committee on Agriculture, Lands and Natural Resources on Pyrethrum Board of Kenya, laid on the Table of the House on Thursday, October 23, 2008.

Mr. Deputy Speaker, Sir, this is yet another scam. This is a story of a Ministry that is insensitive to the needs of the people. This is a sad story of a case in which farmers were defrauded of over Kshs3 billion. This is the story. The Pyrethrum Board of Kenya (PBK) started its operations as early as 1928 and through time, Kenya became number one in pyrethrum production. No other country in the world could even think of coming close to Kenya. We were producing 70 per cent of pyrethrum.

Mr. Speaker, Sir, all that has gone with the wind and right now, we have a situation where farmers have not been paid for months. Assets of that particular board are being tossed left, right and centre and things are extremely bad at the PBK. I want to take hon. Members through the sad story which we wrote after visiting, interviewing and interrogating various players involved in the Pyrethrum Board of Kenya (PBK).

Mr. Deputy Speaker, Sir, I will be quick to say that before hon. Ministers start blaming each other, whether they belong to ODM or PNU, they should think again. This is because that will not help this country.

Mr. Speaker, Sir, we shall be helped by Ministers being responsible enough, listening to the needs of Kenyans and responding to issues which have been raised by the Departmental Committee on Agriculture, Lands and Natural Resources.

As we speak now, the law prohibits anybody from dealing in pyrethrum, including manufacturing of pyrethrin. Even though we are talking about it here, there is a factory which is already processing pyrethrin. That is against law and the Ministry of Agriculture should come out clean on this matter. I am talking about that company which is somewhere in Kinangop. I am glad my brother from Kinangop is here and can confirm that fact.

The pyrethrum plant was introduced here in 1928 and has a potential of Kshs1.5 billion to the farmers using the lower exchange rates. However, generally, the potential is about Kshs2 billion to Kshs3 billion. How does this work? When you produce pyrethrum, you dry it and after that, it is taken to a factory in Nakuru. That factory in Nakuru is owned by the PBK. They have a monopoly. They have invested heavily over the years, well over Kshs1 billion in research and a lot more. They have a lot of assets, including 850 acres of very prime land which have been bought by some very powerful individuals for a song. You will be shocked that this prime land which could be valued at Kshs1.6 billion was bought for Kshs33 million. What a shame?

Mr. Deputy Speaker, Sir, this is the firm that is supposed to have been doing bulking. It is supposed to have been arranging for material required for planting every season. Now, it is somebody's property. When we visited the PBK, we looked at very many aspects. Most importantly, we confirmed that Kshs3.024 billion has been lost from such a humble industry. Please refer to page 7 of the Report. That is much higher than Grand Regency Hotel. Hon. Members must be now already

too tired of being told about one scam after the other. We came up with specific recommendations.

On page 6, one of the recommendations states that because of mismanagement, there has been reduction in profitability in pyrethrum compared to other crops. This is what the farmers themselves observed. When we follow the issue of profitability, there comes up the issue of price fixing and so forth. Pyrethrum produces pyrethrin, which is the only known full proof organic pesticide. It is bio-friendly. It is environmental friendly. It is used all over the world. In actual fact, the USA is one of our major consumers.

Mr. Deputy Speaker, Sir, the declining production against increasing demand caused a lot of problems in that sector. Those major customers pulled out of the market. It is easy to understand this matter if you look at it very closely. The USA market, unlike our market, is based on specific contracts. If you say that you are going to produce so many tonnes of pyrethrum, then you must produce that and make it available to the market if and when required. You cannot change that. So, when production declines, you find yourself in a situation where you have complications with organic products.

This came about because of delayed payments. The delay occasioned to farmers was about two years or two-and-half years. As we speak now, they have not been paid for over one year. We found out that the pricing was too low compared to other parts of the world. The reason is that only a few individuals participated in fixing these prices. When you have such a situation where a few companies have a monopoly of a product, - for example, some of the monopolies in the USA, decide on what to buy and at how much - that translates to very little profitability for the farmer who ends up suffering.

Mr. Deputy Speaker, Sir, it is that little money that has already been subsidised that we are saying Kenyan farmers have lost. Somebody very noble, who understands this document, has rewarded a Kenyan by promoting him or giving him a big office somewhere and yet he disappears with Kshs3 billion. Out of that meagre payment, we still go ahead to steal. I know that hon. Members who come from pyrethrum-growing areas understand the pain of producing, say, one kilogramme of pyrethrum. You have to work under extremely harsh conditions and eventually what you earn is targeted by others for stealing.

Mr. Deputy Speaker, Sir, the PBK has very many assets. We found out so many things about the PBK. If the Prime Minister thinks that PNU is corrupt, let him get it from me that he needs to think again. Corruption cuts across the political divide. It does not matter which party one comes from. The Minister for Agriculture has sent out a team of three people. He has given them specific roles. First and foremost, they have to sell the assets. They are not owned by the Government rather they belong to the farmers. The farmers ought to have been consulted first before such a move was made. These are prime properties. We were informed that they were valued at about Kshs280 million. I do not know how much PNU is worth. This is something that we need to address urgently.

We are dealing with a very volatile situation. Some people are planning to kill a multi-billion industry. Hon. Members, some people are planning to kill this industry and then set up a factory called Midland. This factory is producing pyrethrin and pyrethroid. There is no law that allows them to do so. The Minister for Agriculture cannot say he is not privy to it. If he is, then, obviously, I would commit him to an error of omission. I am saying that because once you have the small factories coming up, all the assets, including rights and orders--- When we vetted them at that time, the pending orders, which were ready to be supplied were over a half a billion, were all to go to the new company, and the farmers would have lost. I am talking of about 100,000 farmers.

Mr. Deputy Speaker, Sir, the process of marginalising the Pyrethrum Board of Kenya started with mysterious burning of a factory. A factory just went up in flames. An insurance company paid well over Kshs300 million, but what they put up there as a new factory has never worked, because they require another Kshs130 million to have the plant commissioned. In other words, they require about Kshs450 million.

Mr. Deputy Speaker, Sir, in today's thinking, a good pyrethrum's factory to do extraction as is done in China or Tasmania, requires about Kshs100 million. I want you to compare those figures. This is a situation where an insurance company has compensated the big body with over Kshs300 million, and they require another Kshs150 million to commission the plant. If you have installed very modern equipment in the factory, then you need Kshs100 million. That shows how people with vested interests have messed this industry.

When we talk of obsolete equipment, we are talking of people trying to recreate technology that was in fashion in 1930s. That technology has a terrible waste. You lose a lot. When we talk about profitability, I mentioned that farmers are underpaid; through the inefficient production system that was designed in 1930s, you end up with a factory that releases massive waste. The question is, there are private factories near there which produce things like wax and so on.

It is not clear where they get their pyrethrin from. If you look at it very closely, then you will know where they get it from. What is called waste is kept in pipes in a compound adjacent to the factory; that is what the Committee found out, and people steal it using wheelbarrows and donkey carts. That waste is worth billions. In other words, the extraction of that active ingredient at the pyrethrum factories is so poorly done that even the waste itself can be used for mosquito control and management by just adding to it a few chemicals. It is usually still very rich in pyrethrin.

Mr. Deputy Speaker, Sir, I want to say that the directors, and specifically the last two directors and the chairman, who is associated with a Minister in this Government, were elected not because of their capabilities but because they are friends of the Ministry of Agriculture officials, which has the sole responsibility of sorting out these issues.

I will say this without a blink of the eye that it was wrong; it is illegal and immoral that people at Kilimo House appoint their friends and those friends, on their behalf, take billions. In this Report, we recommend to the Kenya Anti-Corruption Commission (KACC), if it exists, and to the Kenya Criminal Investigations Department (CID) and to the Commissioner of Police, that Mr. Kirwa, the former Minister for Agriculture be held responsible for the loss of over Kshs3 billion.

We also recommend that a Managing Director, Mrs. Sego, a personal appointee of the same former Minister, be held jointly responsible. Prior to the appointment of Mrs. Sego as the Managing Director, this body was working. Everybody was being paid a little money. We cleared the KANU regime; I would like to point out that I am in KANU and I was elected on the ticket of the Party of National Unity (PNU) through KANU. If hon. Members want, I can say that under Standing Order No.75, I declare my interest that I was educated with proceeds from pyrethrum. At that time there was no theft. I worked very hard in the fields for over 12 hours to pay my school fees.

I want to say that upon the formation of the NARC Government, a wonderful party that had dislodged KANU from power, the Minister for Agriculture appointed this wonderful lady, Mrs. Sego, to come and deal with the Pyrethrum Board of Kenya. Being very gender sensitive, I want to say that, that was the time when Kshs3 billion melted down, and the farmers have not been paid. I hear that His Excellency, Mr. Kibaki and the Right Hon. Prime Minister, Mr. Raila, have now fished out Mr. Kirwa and given him another position somewhere else, leaving out young and able Kenyans who can perform these duties.

Mr. Deputy Speaker, Sir, I feel that this Parliament should put this culture to an end by recommending that even if we are going, Mr. Troon here, if he is still alive, to come and investigate this, all he needs is to pick this good Report, and this is from the Government itself--- It recommends specific measures. This is a Report on management audit of Pyrethrum Board of Kenya by the Inspectorate of State Corporations, of October, 2007.

This Report, which is by the Government, has shown clearly how this money disappeared. This is not a creation of the Departmental Committee on Agriculture, Lands and Natural Resources. This is a factual Report about money and people who are about to steal an installation worth billions of shillings.

If you look at the kind of communication that we have had from the Ministry, including answers to Parliamentary Questions, they give a very interesting picture. For instance, when the President came and said that there would be a rescue plan for the farmers and Kshs800 million was released, over Kshs3 billion was released to the coffee farmers and others. The truth is that the money was converted to a loan. That means that you are getting a loan that you never applied for. The Government announced it as a grant and all farmers were given the money, but it is being demanded back. What can be more unfair than this?

Mr. Deputy Speaker, Sir, these kinds of things make people have the courage, steal all the maize, because nothing is going to happen to them. If once you have stolen Kshs3 billion everybody is clapping for you, then you steal all the maize and wait for people to clap for you! This is time to be serious. I am explaining to hon. Members in a very simple way, so that they can be with me and understand the suffering and bitterness that these farmers are undergoing. You should understand that pyrethrum and pyrethrin can make us, and all those people in Nyandarua, Molo and some parts of Meru be completely financially stable. We are talking of billions of shillings, if only the monstrous Pyrethrum Board of Kenya is sorted out.

How do we do that? First, by liberalising the market. The House should liberalise the market so that the Pyrethrum Board of Kenya (PBK) only performs regulatory functions. This is urgent because if we do not do that, the whole ship is going to sink. If it sinks, it is going to sink with over 1,000 patents.

I am saying patents because there is a dossier. They call it a dossier at the PBK. It is a document like this one I am carrying a thousand times. It describes the chemical composition of the pyrethrin. That is the basis for the sale of the product and registration all over the world. If that dossier is stolen by the people I hear are so hungry, particularly from the agriculture sector, we are going to create one mighty thief. This is somebody who is going to steal the asset worth tens of billions of shillings from these poor farmers.

Mr. Deputy Speaker, Sir, I want to persuade this House that at the earliest opportunity and at the end of this debate, to recommend and concur with this Committee that somebody should be picked up tomorrow morning and interrogated with regard to the loss of Kshs3.024 billion. Why are we so busy sacking 348 police officers, yet they were alleged to have reported late for duty or some US\$20 disappeared or some little petty things are happening! At the same time, we are so busy glorifying and promoting people who have stolen Kshs3 billion in broad daylight. These people are from the Ministry of Agriculture. Why are we doing this? What justice is there?

Mr. Deputy Speaker, Sir, if I were the Minister for Justice, National Cohesion and Constitutional Affairs, I would quickly relax and become an hon. Member for Gichugu. If that is justice you are talking about in this Republic of Kenya, then it is no good talking justice any more. If justice is a question of somebody coming in and being protected because he is not PNU and that party he belongs does not commit sin--- The principals are saying that this is *maneno ya* PNU. This is not PNU business. This is about people stealing! According to the findings of our Committee, it is only people who have stolen the pyrethrin. I have already named them.

Mr. Deputy Speaker, Sir, when I laid this Report on the Table---

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): On a point of order, Mr. Deputy Speaker, Sir. I seek your guidance here. The hon. Member moving this very important Report is talking of PNU corruption, ODM corruption and NARC corruption! We are really getting confused. We really do not know what kind of corruption he is talking about. I thought corruption is corruption irrespective of the party.

Mr. Deputy Speaker: Mr. Mututho, you are moving a Report of the Departmental Committee. Under the circumstances, I think you should just confine yourself to the content of the Report that you shared with your Members and which is in print there. If you digress and go into other areas, I think irrelevance comes into question and that is not relevant!

Please, proceed!

Mr. Mututho: Much obliged, Mr. Deputy Speaker, Sir. I want to go to the specific recommendations arising from what we found out. I also want to concur with the hon. Member that corruption is corruption whether it is committed by Lucifer or anyone else.

Mr. Deputy Speaker, Sir, in view of what we found out, we made the following recommendations:-

(i) The Ministry of Agriculture should immediately reconstitute a new Board. This Board must be elected with express authority of the farmers and not hand-picked people who are friends of the system.

(ii) The Board should recruit qualified and experienced professionals.

Mr. Deputy Speaker, Sir, one of the people who were there, who was the acting Chief Executive Officer (CEO), is a research officer. He has been a research officer for over 25 years. However, he has never produced any results. He has been doing research on pyrethrum but has never published any results of what he has been doing for 25 years. However, he has remained on the payroll of the Government. Further, we recommended that:-

(iii) The Board should establish the Farmers Account. This is the equivalent of the Strategic Grain Reserve (SGR). This is an account that will be used in case there is bad weather or high demand. This was started earlier and I see a lot of similarities with the SGR.

Mr. Deputy Speaker, Sir, I would like to seek further indulgence from you to refer to a matter which is not in this Report but it is related; this is something to do with maize.

The establishment of SGR was founded on the basic principle that at one time, we will require some food in stores that can be handy to stabilize prices. The establishment of the Farmers Account was done on the same basis.

That was the basis under which when Mr. Kirwa took office, he made stocks in excess of Kshs3 billion. These are the stocks that disappeared. This sounds very similar to the story that by 2007, our SGR were normal and they dwindled in October/November 2008. It is a very similar story! It all comes from one corner. It has one common denominator as both fall under the Ministry of Agriculture.

(iv) We also recommended that the Government should amend the Pyrethrum Board of Kenya Act (Cap.340) to allow for liberalisation of the pyrethrum industry.

Mr. Deputy Speaker, Sir, we went further and recommended that the Board, in consultations with the Kenya Agricultural Research Institute (KARI), should devote funds to research with a view of obtaining new varieties. There is no research that is going on now and this Ministry should now sanction research.

I indicated earlier in my opening remarks that---

(Loud consultations)

Mr. Deputy Speaker, Sir, I need your protection, the Chief Whip is consulting so loudly.

Mr. Deputy Speaker, Sir, I am talking about something I would like the Chief Whip to hear. The majority of hon. Members who are in the Chamber come from pyrethrum growing zones. They know the truth that our farmers do not have any other cash crop except pyrethrum. Even if there was no other reason, that is reason good enough for us to persuade everybody to participate in the restructuring of the pyrethrum industry.

The assets of the Board are mainly in Nakuru. I said again that even at this moment in time when we have a problem of resettling Internally Displaced Persons (IDPs), 850,000 acres of land disappeared with one so-called investor. I am informed that he has not even paid the whole amount of money. He has paid about Kshs10 million or so. Going by the current market price, that land is worth about Kshs1.6 billion. Near that farm, we have about 50 acres of land which is now occupied by over

14,000 IDPs. That is why I seek your indulgence when I say, with a lot of respect to our colleagues and seniors; the Ministers, that they are in deep slumber if they cannot see that the land owned by the PBK is just next door. They have put 14,000 to 15,000 people in tents at the slums next door. Then you wonder, look at this Government and query: "Is it in control? Is it privy to the fact that even that land is Government land?" It is peoples' land. Why can you not move those people? They are there on a temporary basis. They should be allowed to grow potatoes this season in the 850 acres. Again, they say that, that matter is under discussion.

Mr. Deputy Speaker, Sir, the Government should take very keen interest in pyrethrum because maize and other food crops cannot do well in that zone. With this climatic change and the other worsening situations, it is very difficult. If we do not do that - and that is the point which I want to be noted very carefully - we are going to lose that land to what they are now calling biofuels. Once you lose it to those biofuels, then you are done. You have lost that gold you had in terms of pyrethrum.

Mr. Deputy Speaker, Sir, the Board should upgrade the equipment. I said earlier, to get a good plant, you need Kshs100 million. To go there and reconstitute that 1930 edition, which the Ministry and the Pyrethrum Board of Kenya are trying to do, you require Kshs150 million extra, having sunk over Kshs300 million. So a bitter decision has to be taken. You should forget about all that heap of metal called a plant. Then use Kshs100 million and you will have a clean plant like the one that has been put up by Midland. That is what we will be persuading this House to adopt.

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, persons, including directors of the Pyrethrum Marketing Board of Kenya, who were behind the stealing of that Kshs3 billion, should be held accountable and made to repay. That is because they have their assets. I will be persuading hon. Members to recommend--- It is a fact. We saw it in the media that the former Minister for Agriculture has been rewarded by another lucrative appointment.

It should be revoked and this time round, be given to young men or women, preferably from Githunguri. That is because they have been very supportive to us in terms of co-operative movements and selling their products. They have demonstrated that they can do what we are unable to do. They have been very vocal to an extent that they have been able to save their own milk and coffee production. It is a shame to us in the Rift Valley---

The Assistant Minister for Industrialization (Mr. Muriithi): On a point of order, Mr. Temporary Deputy Speaker, Sir. You have truly allowed the hon. Member a great deal of latitude to the extent that he is speaking about everything and anything under the sun. Is it not in order to ask the hon. Member to confine himself to the issue at hand, which is the Report?

Thank you, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Mututho, that is a valid point of order. You should observe rules of relevance.

Mr. Mututho: Mr. Temporary Deputy Speaker, Sir, in actual fact, I do agree. With due respect, I am very relevant. I am looking at a qualified Kenyan to do a very specific job. In Githunguri, they are found in that agricultural area. I will remain relevant.

Mr. Temporary Deputy Speaker, Sir, what I am trying to say is this: Why should we have a Report of this magnitude describing the Minister and the directors, who are appointed by the Government itself? Yes! We would go ahead and appoint you to higher office. I am talking about the former Minister for Agriculture. The people from the Ministry for Agriculture are conspicuously absent from this House. That is because to them, "eating" Kshs3 billion *ni kawaida*---

The Assistant Minister, Office of the Deputy Prime Minister and Ministry for Local Government (Mr. Githae): On a point of order, Mr. Temporary Deputy Speaker, Sir. The mover keeps on referring to a document which he says was done by this Government. We have no idea which special report he is talking about. Could he table it so that we can also read it? It may have been given to the Departmental Committee, but the other hon. Members do not have it!

Mr. Mututho: Thank you, Mr. Temporary Deputy Speaker, Sir. The hon. Member may not have perused through the Report. There is an annexure in the report that we tabled. Nevertheless, I will table this one after making my submission. I will make more copies available if requested.

I want to come back to my Report. What I am trying to say basically, before I can ask my brother to second the Motion, is the following:-

One, we need to liberalise that market very carefully, so that the assets belonging to farmers are not lost.

Two, we need to look at that Act together now, so that the current Pyrethrum Marketing Board of Kenya is able to maintain its regulatory function.

Three, we need, without any further delay, to take the people who have stolen Kshs3 billion to court. To prove how that went on, information is annexed in this Report, which I am going to table. It has far reaching things. It was given to us by the Government itself. It must have also been circulated in Parliament. That time, I was not around. But, nevertheless, I will append that one.

With those very many remarks, I want to confirm that there is no pyrethrum in Kangundo. But in areas where it grows---

Mr. Muthama: On a point of order, Mr. Temporary Deputy Speaker, Sir. It is my conviction that the Chairman of this Departmental Committee represents the whole Republic of Kenya in matters that concern farmers. Is he in order to keep on touching on one constituency in a way that is underrating it?

Mr. Mututho: Mr. Temporary Deputy Speaker, Sir, it helps Members to get alert. But it is a geographical fact that nobody grows pyrethrum in Kangundo.

With those remarks, I beg to move and ask my brother, Mr. Ngugi from Kinangop, to second this Motion.

Mr. Ngugi: Mr. Temporary Deputy Speaker, Sir, I rise to second this Motion because, first of all, I come from a pyrethrum growing area. When I was being educated, that is the only cash crop that we had in the whole of Nyandarua and Central Rift.

Mr. Temporary Deputy Speaker, Sir, the marketing of that crop was not done quite well and it collapsed. Farmers in that area cannot educate their children due to the collapse of pyrethrum growing. That is why it is important to adopt this Report about the Pyrethrum Board of Kenya by the Departmental Committee. However, I want to make one or two corrections about some of the things that have been spoken by the Chairman of the Departmental Committee. Midland Company, which is situated in Kinangop does not, in any way, want to steal either the rights, research or anything that has been done by the Pyrethrum Board of Kenya. If anything, Midland Company just came into play to try and help the situation.

Be that as it may, I want to say that the Pyrethrum Board of Kenya has been a bad monopoly because it has been a Government monopoly. It has been the only one that negotiates the prices outside the country and fixes the prices for farmers. As a result, it has fleeced farmers over very many years. We feel it is time that the Pyrethrum Board of Kenya Act Cap.340 was amended so that we can have a regulatory authority. The Pyrethrum Board of Kenya can remain as a regulatory authority and it can have a marketing arm, just to deal with the growing of pyrethrum as a competitor of other growers and factories. That is the only way you can keep the patent rights with the Government.

At the same time, the Pyrethrum Board of Kenya can be charged with the responsibility of doing research. It is critical that this industry is liberalized so that other companies like Midland can come into play. This will ensure that countries like Rwanda which is now our major competitor, does

not get ahead of us. Whenever industries like coffee and tea have gone under, the Government has come to their rescue and pumped in billions of shillings to save them. This has not been the case with the pyrethrum industry. I would like to ask the Government to save the farmers in Nyandarua and the Central Rift which includes Subukia, Molo, Naivasha and all the other areas that grow pyrethrum, so that the pyrethrum industry can be on its feet again.

Mr. Temporary Deputy Speaker, Sir, the Pyrethrum Board of Kenya has only one factory in Nakuru. That factory has been there for almost 50 years. Therefore, the technology used in the factory is outdated. As a result, the production cost is very high. Even the market price that they get *vis-a-vis* what they pay the farmers, is eaten up by this very high production cost.

If this industry was liberalised, other players like Midland or even the marketing arm of the Pyrethrum Board of Kenya itself can come up with factories using modern technology, so that the extraction of pyrethrin is both economical and can help the farmers.

We are facing competition from countries like Rwanda. If we do not step in as the Government to save this industry, soon we will not have an acre of pyrethrum being grown in this country. This is why I would even agree with the Mover of the Motion, who is also the Chairman of the Committee on Agriculture, Lands and Natural Resources, that it is very necessary that this Report be even committed to the Kenya Anti-Corruption Commission (KACC), so that money can be recovered from those who have stolen the Kshs3.4 billion, and paid to farmers who have not been paid for a year.

Mr. Temporary Deputy Speaker, Sir, every time I go to my constituency, I get farmers who tell me: "We cannot send our children to school and, yet our money is being held by this Pyrethrum Board of Kenya. What are you doing about it, as our Member of Parliament?" This is why the Government should come in and give a grant to the Pyrethrum Board of Kenya, so that it can pay farmers. In turn, farmers will be able to educate their children and even feel motivated to grow more acreage of pyrethrum.

With those few remarks, I beg to second.

(Question proposed)

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Githae): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to make my contribution on this very important Report.

First, I would like to thank the Mover for the way he has moved this wonderful Report and, also, his Committee Members for such a wonderful Report.

Mr. Temporary Deputy Speaker, Sir, this, to me, is a straightforward Report. It shows that more than Kshs3 billion disappeared. Money cannot disappear just like that; somebody must have taken it. A total of Kshs3 billion is not small change. If you were told to count until you reach Kshs3 billion, it would take a long time before you finish.

I remember when we used to make school trips to go and see the way pyrethrum is grown, because we do not grow it in my area. Those days, pyrethrum farmers used to dress very nicely. But today, it is a sorry case. You pity them. Pyrethrum farmers used to eat the best food. But today, because of this mess, even getting food is a problem. Pyrethrum farmers also used to take their children to the best schools.

Today, because of this mess that has occurred, now they have to do with whatever is available. At every pay-out, the pyrethrum farmers used to buy new pick-ups. Today, even to afford a bicycle would be a miracle, because they have not been paid for more than a year. When we used to visit pyrethrum farmers those days, they had the most beautiful wives. These days, I am not very sure whether they can get those beautiful wives because they have not been paid for one year.

Mr. Temporary Deputy Speaker, Sir, we want these farmers to go back to the position they

were about 20 years ago, when they were paid even more than the coffee and tea farmers. We must condemn corruption. Corruption is corruption, whether it is being perpetrated by ODM, PNU or NARC Ministers, and it is totally unacceptable.

Now that we are in February and because of the school fees problems--- I have paid so much money on school fees, and I am really looking forward to the end of this month, because I am very broke. I am just wondering; since these farmers have not been paid for one year, how have they been surviving? What are they eating? How are they taking their children to school? I think these are some of the questions that we need to ask ourselves and condemn the mismanagement of this very important sector.

I fully agree with the recommendations of the Committee; that we need to liberalize the pyrethrum industry. The Pyrethrum Board of Kenya should be the regulator. To this extent, I think the Committee should come up with amendments so that the Pyrethrum Board of Kenya remains the regulator, and then liberalize the field so that we can even have more factories like Midland Factory, which I understand is also in this business.

So, we must condemn mismanagement and those who misused Kshs3.6 billion. We must also increase competition in this sector and stop obsolete technology. Obsolete technology is the same case that is affecting the Pan-African Paper Mills Factory in Webuye. We must move with the times.

Mr. Temporary Deputy Speaker, Sir, the new board, as recommended by the Committee, must be composed of people who have an interest in the pyrethrum industry. It is not just enough to appoint your friends! Ministers must appoint competent people to those boards. It is unfortunate that in our law, there is no place where it says that an Assistant Minister can appoint a board.

I wish there was a law that gives Assistant Ministers power to appoint boards, and you would have seen the kinds of boards that we can appoint. Unfortunately, we do not have that power. We only see those appointments in the newspapers. It is important that there is full consultation when those new board members are appointed, so that competent people, and people with an interest in the industry are appointed.

With those few remarks, I support the recommendations of the Committee.

Mr. Wamalwa: Mr. Temporary Deputy Speaker, Sir, I also wish to support the Motion for the adoption of the Report by the Departmental Committee on Agriculture, Lands and Natural Resources. This is a very important Report but, perhaps, the issue of pyrethrum is not as exciting as the Grand Regency Hotel, Anglo Leasing, Goldenberg and maize scandals, or any other scandal, otherwise this Chamber would have been full. What we are looking at is the loss of over Kshs3 billion. This is an amount that would make a big difference, not just in the lives of the pyrethrum farmers in this country, but also in the economy of this country. This loss has come at a time when many scandals bedevil this country and many beneficiaries of such scandals have walked away scotfree.

To trace the history of this country in the recent days from the NARC Government that was elected in 2002 to the present Grand Coalition Government, they were both elected on platforms of zero tolerance to corruption. Yet the corruption that has taken root in both administrations is truly shocking. For something like this to have happened--- It is something that this House, and the nation, must take seriously and ensure that the recommendations that have been made by that Committee are not just adopted by this House but are followed up. This will ensure that whoever was responsible for the loss of the over Kshs3 billion is prosecuted and made to account to the farmers of this country.

It is, indeed, a situation that is not just restricted to the pyrethrum farmers. When you look at the story of the Pyrethrum Board of Kenya (PBK) and the suffering of the pyrethrum farmer, it is similar to the suffering of all other farmers in this country, whether they are tea, coffee or maize farmers. Today, as we speak in this country, farmers have become totally disillusioned and discontented. Indeed, they have got to a point where they have become desperate. When you hear of farmers uprooting tea or coffee trees, know that very soon, you might hear of farmers uprooting maize

and pyrethrum; yet, this country is an agricultural country. Eighty per cent of the population of Kenya earns its livelihood from agriculture. It is a situation that we need to look into very keenly. When you look at the problems of the pyrethrum farmer, right from the high cost of production; when you look at the prices, as Mr. M. Kilonzo has shown us in this Report, the reward that the farmer gets is not equivalent to the suffering that he is goes through to produce. To produce and not get anything out of your produce, and to have your sweat benefiting other people is a serious matter.

Mr. Temporary Deputy Speaker, Sir, it is a matter that we need to look into and see what can be done. We must do something by amending Cap.340; this will liberalise that market, give hope to the pyrethrum farmer and tighten nuts, particularly in the parastatals in this country that are managing our very crucial sectors of agriculture. Whether it is the PBK, the National Cereals and Produce Board (NCPB) or any other board, something needs to be done and done in a hurry. That is why, as a House, we wish to support the adoption of this Report and urge that action be taken against the beneficiaries of the Kshs3 billion.

The Assistant Minister for Industrialization (Mr. Muriithi): Mr. Temporary Deputy Speaker, Sir, first of all, I want to assure this House that contrary to what the mover believes, the police, the Criminal Investigations Department (CID) as well as the Kenya Anti-Corruption Commission (KACC) are alive and well, and are working. I, perhaps, accept that even a good thing can be made better, but those institutions are alive and well.

Secondly, I think that, as the Committee rightly brings out, the Government instituted serious audit into the goings on in the PBK going back to 2007 and issued a Report. Therefore, the Government is keen and serious about these issues. I also want to dispel a notion that was propagated here, that there are such things as corruption that is by one side of the Coalition or by another side. This is one Government! It is a Coalition Government made up of many partners, but there is no such thing as PNU corruption or corruption by the ODM.

Coming back to this Report, first, I want to join those who have made comments that we need to liberalise this sector. I also want to dispel the notion that monopoly is simply bad, because it is by a Government controlled institution. I think, as a matter of policy and economic management, we welcome liberalisation as the way to ensure competition and resources are allocated in the best way possible. So, as a general principle, we welcome the issue of liberalisation.

I want to note that we, in this very forward looking Government, accept that we have no monopoly of wisdom, and welcome the Committee to come to this House with amendments to the Pyrethrum Board of Kenya Act. Indeed, the new Standing Orders will make it easier for any hon. Member and, indeed, this Committee to come up with recommendations. I am quite certain that we will look very favourably on them.

Mr. Temporary Deputy Speaker, Sir, on the issue of modernisation, everyone who has spoken before me welcomes the call that we modernise this very important industry, and get the most value out of it. As I am sure the House knows, competition, first and foremost, came from synthetics, but the world has a very specific need for natural products; therefore, the call for modernisation is very welcome.

On the issue of protecting the assets, the intellectual and industrial property related to patents that the board is holding, even as we liberalise, can we accept the need to separate the issues of a regulator from those of a market participant? In other sectors, this is the way we have gone. For example, in the telecommunications sector, this is the way we have gone. So, this is an important thing. We accept that we want to separate the issue of a regulator being a market participant. It is, perhaps, proper because this intellectual property, as it was, was developed by a public sector body. In this case, the intellectual property right would reside as a public good, not perhaps, it would reside with the regulator.

Mr. Temporary Deputy Speaker, Sir, I want to finish up by saying that there is no such thing as a small loss and a big loss. Whether it is US\$20 that has disappeared, or Kshs3 billion, theft is theft.

We will do this country proud, if all of us accept that in whatever sphere of leadership that we occupy, we should protect the public interest.

With those remarks, I beg to support.

Mr. Nyamweya: Mr. Temporary Deputy Speaker, Sir, I also rise to support the Report of the Committee. However, this raises the important issue of implementation of Committee Reports of this House. There is hardly any need of accepting this Report if it is also just going to gather dust in the archives of Parliament.

The second thing that arises from this Report is that we have successive governments, which are like parents who have been unwilling to let people grow up. If you look at what has befallen the pyrethrum industry, really, what you see is a Ministry which is unwilling to let the people themselves do what they must do, and do it in the best way they know. This really pervades to all the sectors, not just in the Ministry of Agriculture, but rather, in the whole Government.

Mr. Temporary Deputy Speaker, Sir, we have a parastatal whose Chief Executive Officer (CEO) is supposed to be sought through a competitive bidding process, because we are looking for the best qualified person in that sector, and then we give that CEO a Board comprising of people who have no knowledge of that sector. Somebody then went ahead and brought in place what we call the Inspectorate of State Corporations, which completely ties the hands of the officials running parastatals, and yet, those officials are expected to perform. We are subjecting to the normal bureaucratic system of managing Government.

Honestly, we cannot expect any of these parastatals to be able to do what they were set up to do, with the amount of bureaucracy that we have. It is, therefore, time for us to, really re-think our policies. We live in a modern society, but we have roles which are completely alien to the ways of doing modern commerce. If you look at the way sectors like pyrethrum, coffee, tea and, basically, horticulture operated, you will recall that, that was a system where the market was controlled then. However, we still expect them to perform in a liberalised industry, with the same rules and regulations of that time. We should not expect them to work.

Mr. Temporary Deputy Speaker, Sir, successive Committees have probed into various items, but we find that those people who had been entrusted with positions in Government institutions, be they Ministry Permanent Secretaries (PSs) or senior Government officials or parastatal Managing Directors - myself having been one previously - find their way to Parliament, after having been responsible for massive losses incurred by those institutions.

Despite numerous Public Accounts Committee (PAC) and Public Investments Committee (PIC) reports finding them responsible for such losses and recommending that such persons should not hold any public office, such persons still find their way to public office.

We come here, we then debate brilliantly about these reports and give suggestions as to how we can rectify these things. When will we get to the time of implementing those reports? Honestly speaking, it is not worth while unless we are prepared, as a House, now that the new Standing Orders are, probably, going to give us that ability, to implement the findings of those reports.

Mr. Temporary Deputy Speaker, Sir, if you look at this Report, you will see that it is not just Kshs3 billion which was lost. There is also an additional Kshs1.5 billion in pending sales. Where has that gone? Do you, honestly, think you are going to entrust the Ministry of Agriculture, if the Ministry is not even bothered by the Report of the Departmental Committee that supervises it? I do not see anybody from the Ministry of Agriculture here. Do we expect the Government to go ahead and do anything about this Report?

The Assistant Minister for Industrialization (Mr. Muriithi): On a point of order, Mr. Temporary Deputy Speaker, Sir. The Government is here. Is the hon. Member in order?

The Temporary Deputy Speaker (Mr. Imanyara): Order! Order! The hon. Member is perfectly in order to find out who will respond on behalf of the Government.

Mr. Nyamweya: Thank you, Mr. Temporary Deputy Speaker, Sir. Perhaps, that even

highlights the dilemma in which Kenya is - that, even though we have a Government in place, we have very many faces of that Government.

Mr. Konchela: On a point of order, Mr. Temporary Deputy Speaker, Sir. While we must respect the rules of the House, the hon. Member on the Floor is speaking from the position that is used by Government Ministers. Is he a Government Minister to speak from the Dispatch Box?

The Temporary Deputy Speaker (Mr. Imanyara): You have rightly raised the issue. Mr. Nyamweya, now that the issue has been raised, you are not entitled to speak from the Dispatch Box.

Mr. Nyamweya: Mr. Temporary Deputy Speaker, Sir, I could very well move to my rightful place.

The Temporary Deputy Speaker (Mr. Imanyara): Order! Order! You are not entitled to speak from the Dispatch Box, but the matter was not raised. Nevertheless, since you are about to conclude, I will allow you to finish your contribution.

Mr. Nyamweya: Thank you, Mr. Temporary Deputy Speaker, Sir. Sometimes, I am very supportive of the Government and at other times not, and today I am not.

With that, I beg to support the Report of the Departmental Committee.

Mr. Njuguna: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to echo the feelings given by other hon. Members of this House.

Firstly, I wish to support the Motion by recognising the critical role played by the Chairman of the Departmental Committee, and other Members. They have come up with a very good document, which has already given some light on what has been taking place in the agricultural centres.

Mr. Temporary Deputy Speaker, Sir, of great concern, is the issue of embezzlement of public finances, particularly in the pyrethrum sector. A sum of Kshs3.4 billion is a lot of money coming from small-scale farmers. This money has been accumulated over time. We note that for more than ten years, small-scale farmers have not been paid for their crop. Some people in the Pyrethrum Board of Kenya (PBK) have continued to enjoy the labour and sweat, and investment by these farmers.

It is high time, therefore, that a corrective position is taken by the Criminal Investigations Department (CID), to make very serious moves. The CID should visit the PBK and find out who have been involved in this serious scam. These people might have invested this money in buildings and very big cars.

Once investigated, any property that may have been acquired through dubious means must be confiscated and the money returned to the PBK. By this act, innocent farmers have been affected and more so, the education of their children. Again, university students, whose parents depend on farming, have been denied a chance to learn well. The image of the Government has been put in a very awkward position. Therefore, concerted efforts are required to correct this anomaly and give trust and confidence to the farmers in our country.

Mr. Temporary Deputy Speaker, Sir, recently, we had the same issue in this House where the Minister for Agriculture through, his Assistant, indicated that farmers had not been paid about Kshs70 million. I was the one who asked that Question. Up to now, the farmers have not been paid. Is the Ministry really serious about the issues that are affecting the farmers?

The money involved may look small but it really means a lot to that small-scale farmer. The Ministry must be committed to the responsibility that has been bestowed upon it. If we kill this industry, we will kill the whole nation.

The other issue is that of land. It has been indicated by the Chairman through the Report that 850 acres of land worth about Kshs2 billion has been taken by a few directors of the Pyrethrum Board of Kenya. It is, therefore, imperative that the security organs of our Government move swiftly to recover this land because it was given out at Kshs31 million. It is important that this land reverts back to the Government to be used for research initiative that we require in that industry.

Mr. Temporary Deputy Speaker, Sir, the Pyrethrum Board of Kenya must also be overhauled because its composition as it is now will continue to impoverish the Kenyan farmer. The sooner we

acted, the better. We have university graduates who are jobless right now. Why should we allow thieves to continue managing this very important sector while our youth who have already graduated from the university are tarmacking? These people must be removed to create room for the young graduates so that they can take that challenge and prove to us all that they can deliver.

The Criminal Investigations Department (CID) should investigate those people who conspired to burn the stores of the Pyrethrum Board of Kenya so that they can continue looting. If they are found guilty, they should be punished accordingly.

Mr. Temporary Deputy Speaker, Sir, the other issue that we need to address is the renewed Board of the Pyrethrum Board of Kenya. We need a board that can deliver new variety seeds for that crop and effect delivery of fertilizer. If we want to revive this industry, we need a board that will come up with an aggressive marketing policy.

Mr. Temporary Deputy Speaker, Sir, we also need to look at the bank accounts of those people who messed up and stole the money. Their bank accounts must be investigated. If they are found to have money, they must be frozen immediately and the money returned to the rightful people.

Finally, Mr. Temporary Deputy Speaker, Sir, we have adopted a wrong policy of appointing those who have retired from the Provincial Administration; that is, DCs and PCs, to these new boards. These positions should be given to the right people and the retirees should instead become self-employed and create room for the graduates.

With those few remarks, I fully support the Motion.

Dr. Munyaka: Thank you, Mr. Temporary Deputy Speaker, Sir. I beg to support the adoption of this Report. I want to thank the Chairman of the Departmental Committee on Agriculture, Lands and Natural Resources for the very good presentation that he gave.

Mr. Temporary Deputy Speaker, Sir, I would also like to thank the members of the Committee for the work they did in trying to investigate and find out what has been ailing pyrethrum farming.

At the moment, the Ministry of Agriculture is facing a lot of challenges because it has so many parastatals which have been riddled with a lot of corruption and others have basically collapsed.

Sometimes back, pyrethrum farmers were earning a lot of money through that industry. Due to the culture of corruption and mismanagement, Kenyans have really watched that industry go down to its knees. Pyrethrin, which is the byproduct of pyrethrum, is a very marketable product worldwide because it is environmentally friendly and accepted. The issue of marketing is not what could have caused the Pyrethrum Board of Kenya to have difficulties. It is a product which is in high demand and it attracts a lot of customers worldwide.

It is unfortunate that we are the major producers of pyrethroid but Kenya was exporting pyrethroid to areas like America only for them to process it and bring it back here as finished pesticides. I do not know when Kenya will wake up and start having value addition to the products we make in our agricultural sector so that we can benefit from better returns.

The Government should strive to revive pyrethrum farming because we still have many interested farmers who would like to do the farming and then streamline the Board so that it becomes a regulatory organ. This will ensure that the avenues of stealing may not deter the farmers from undertaking that activity.

If you look at the Report, you will find that more than Kshs3 billion was lost either through material loss or cash loss. It is interesting to note that it is said in the Report that pyrethrin worth around Kshs2.4 billion was "eaten by rats", whereas we know that pyrethrin are actually pesticides and a rat cannot eat pesticides. It is interesting to note the extent to which some people can go to lie and steal products of farmers. They are not even ashamed to give such a story.

Mr. Temporary Deputy Speaker, Sir, it is good that we liberalised the industry so that we can attract competition and so that the farmer can choose where to get his services. This will ensure that we maximise on services and profits. Otherwise, the biggest problem we have is that the appointment

of the Board of Directors has been below board because you find leaders appointing their cronies. They appoint people with bad history who cannot take care of public property. The appointees to these boards should be people of high integrity.

With those few remarks, I beg to support the Report for adoption.

Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. Kutuny: Ahsante sana, Bw. Naibu Spika wa Muda, kwa kunipa nafasi hii. Kwanza, ningependa kuipongeza Kamati ya Bunge inayohusika na masuala ya ukulima kwa kuwasilisha Ripoti mbele ya Bunge hili ili ijadiliwe. Tangu Mwenyekiti mpya, Bw. Mututho, achukue usukani katika Kamati hiyo, tunatarajia kuwa mambo mengi yatatokea. Tutaweza kuelewa sana mambo ya kilimo katika taifa la Kenya. Lazima tukumbuke kwamba kilimo ndicho uti wa mgongo wa taifa la Kenya. Sekta ya kilimo imekumbwa na matatizo mengi. Katika sekta hii ya pareto, itakumbukwa kwamba wakulima wengi waliweza kuangamia na kufutilia mbali kilimo cha pareto katika taifa la Kenya. Katika miaka ya tisini, Kenya ilikuwa katika orodha ya kumi bora katika Afrika, na dunia kwa jumla, miongoni mwa mataifa yanayokuza pareto kwa asilimia ya juu. Lakini sasa, tukipitia Ripoti ambayo imetolewa hapa Bungeni, tumegundua matatizo yanayoikumba sekta hiyo. Mojawapo ya matatizo hayo ni usimamizi mbaya, hali ambayo ililetwa na wale walioteuliwa.

Bw. Naibu Spika wa Muda, ufisadi katika sekta ya kilimo ni kielelezo cha kila siku. Ripoti kama hii inapotolewa, ni lazima iwe kielelezo kwa Wizara ya Kilimo kuhakikisha kuwa uchunguzi unafanywa katika kila sekta, ili wakulima waweze kufaulu.

Bw. Naibu Spika wa Muda, Ripoti hii inaonyesha kwamba wakulima walitia bidii ya jino na ukucha na kutoa jasho yao ili waweze kupata mlo. Waliweza kuwasilisha pareto yao katika mwaka wa 2002, lakini walilipwa baada ya miaka mitatu au minne. Jambo hilo limewafanya wakulima wengi sana kuingiliwa na upweke. Vile vile, hadi sasa, wakulima waliopeleka pareto yao hawajalipwa. Huo ni ufisadi wa hali ya juu! Katika Bajeti ya Serikali kila mwaka, kuna pesa ambazo huwekwa katika sekta hiyo. Lakini haijulikani ni nani hulipwa pesa hizo! Kwa hivyo, wakulima wamekuwa samaki wadogo, huku samaki wakubwa wanaosimamia kampuni hiyo wakila!

Vile vile, Bw. Naibu Spika wa Muda, katika Ripoti iliyotolewa na Kamati ya Bunge, inasemekana kwamba kulikuwa na shamba la zaidi ya ekari 850, ambalo liliuzwa kwa Kshs33 milioni. Wale waliolinunua shamba hilo walilipa Kshs19 milioni peke yake. Mpaka sasa, pesa zilizozalia hazijalipwa!

Tatizo tulilo nalo katika taifa hili la Kenya ni ukosefu wa mbinu mpya za udadisi, uchunguzi na uzalishaji, kutokana na uongozi mbovu. Kwa vile shamba hilo liliuziwa mtu binafsi ili atumie katika kazi zake yeye mwenyewe, jambo hilo lilifanya Serikali kukosa namna ya kuweza kutoa maonyesho ya kisasa ya kilimo kwa wakulima!

Bw. Naibu Spika wa Muda, tatizo lingine ambalo lilitokea pale ni kwamba wale walionunua shamba hilo hawajakamilisha kulipa pesa zile. Ni kana kwamba Kamati hiyo ama Bodi ilikuwa na nia ya kuliiza lile shamba, ili kupata fedha za kuendelea kazi za Wizara. Lakini mpaka sasa, limebaki deni ambalo halijalipwa. Ndiyo maana tunasema kwamba lazima uchunguzi ufanywe!

Bw. Naibu Spika wa Muda, Bodi hiyo ilianza kupigwa na mvua ama kupata kichapo cha mbwa msikitini wakati Waziri aliyekuwapo wakati huo, Bw. Kipruto arap Kirwa, alipomchagua mama ambaye alikuwa anaitwa Madam Segoo. Hapo ndipo matatizo yalipoanza kuikumba Bodi hiyo. Lakini nawashukuru watu wa Cherangany kwa sababu walichukua hatua madhubuti na ya haraka na kuhakikisha kwamba wamemng'atua uongozini kwa sababu tabia kama hiyo ingejikita mizizi. Walifanya kile ambacho Halmashauri ya Kufanya Uchunguzi katika Taifa la Kenya haingefanya! Kwa hivyo, natoa shukrani kubwa sana kwa watu wa eneo la Bunge la Cherangany kwa kumleta kijana mufti, tena ambaye ana tabia "kuli-kuli" na mikono misafi katika Bunge.

Vile vile, Bw. Naibu Spika wa Muda, natoa changamoto kwa Serikali kwamba, kutokana na Ripoti ambayo imeletwa hapa-- Serikali imepoteza pesa zaidi ya Kshs3.5 bilioni katika sakata ya ufisadi katika halmashauri hiyo. Tungependa hatua kali ichukuliwe ili iwe kielelezo na mfano mzuri

kwa wahusika wengine katika Serikali.

Kwa sasa, kila siku, tunazungumza juu ya ufisadi. Lakini hakuna hatua yeyote ambayo inachukuliwa na Serikali! Tungependa Serikali hii ya Muungano ambayo washika dau wote walikuwa wameweka ruwaza yao ya kwanza ni kupambana na ufisadi, wachukue hatua mara moja, uchunguzi ufanywe na wale wote waliopora mali ya umma waweze kufikishwa mahakamani!

Bw. Naibu Spika wa Muda, katika Taifa la Kenya, vile vile, wale ambao wanateuliwa kusimamia halmashauri kama hiyo mara nyingi huchaguliwa kwa sababu huwa ni marafiki wa kufa kuzikana ama wako karibu na wanaoteua kama pua na mdomo. Lakini hali ya masomo na taaluma ya mtu haiwezi kufuatwa! Ndiposa unapata kwamba mtu anayetakikana kuwa daktari wa kuwatibu watu katika Hospitali kuu ya Kenyatta anachukuliwa na kwenda kuwa Mkurugenzi katika Halmashauri ya Pareto katika Taifa la Kenya! Nafikiri wakati umefika katika Taifa la Kenya kuwachuja [**Mr. Kutuny**] wale wote ambao wanatakikana kuchaguliwa kisawasawa, ili masomo yaweze kulingana na sekta ambayo wataenda kuisimamia.

Bw. Naibu Spika wa Muda, katika Taifa hili la Kenya pia, tumekuwa na watu ambao wamekuwa na mkono mrefu. Wanapoteuliwa, katika sekta hiyo, wanachagua ni nani ambaye atasimamia kitengo cha mambo ya pesa au mambo ya mauzo. Jambo hilo limefanya halmashauri nyingi katika kilimo kupoteza mali yao.

Kwa hivyo, Bw. Naibu Spika wa Muda, naunga mkono Ripoti hii. Tunaamini kwamba Serikali haitaiweka chini ya meza au kwenye sakafu.

Tunaamini kwamba hatua ya haraka itachukuliwa ili wale wote ambao walifyonza Halmashauri ya Pareto katika Taifa la Kenya na kuwaletea wakulima umaskini mkubwa watiwe ndani mara moja!

Kwa hayo machache, Bw. Naibu Spika wa Muda, naunga mkono Ripoti hii.

Mr. Konchella: On a point of order, Mr. Temporary Deputy Speaker, Sir. Would I be in order to request you to call upon the Mover to respond?

The Temporary Deputy Speaker (Mr. Imanyara): There is no one else who is willing to speak. I understand that *Bw. Kajembe, wewe ndio unajibu kwa niaba ya Serikali?*

The Assistant Minister for Environment and Mineral Resources (Mr. Kajembe): Mr. Temporary Deputy Speaker, Sir, that has not been delegated to me.

Mr. Konchella: On a point of order, Mr. Temporary Deputy Speaker, Sir. We have a Minister in this House who, I believe, will do it!

(Applause)

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Mwakwere, are you responding on behalf of the Government? It had been indicated to me that Mr. Kajembe will be doing so.

(Applause)

The Minister for Public Works (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, I want to thank you for this opportunity to say one or two things about the Report on the activities of the Pyrethrum Board of Kenya (PBK) emanating from the Departmental Committee on Agriculture, Lands and Natural Resources.

We all know that---

Mr. C. Onyancha: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Minister responding or contributing?

The Temporary Deputy Speaker (Mr. Imanyara): Mr. Minister, are you responding?

The Minister for Public Works (Mr. Obure): Yes, Mr. Temporary Deputy Speaker, Sir.

Mr. Konchella: On a point of order, Mr. Temporary Deputy Speaker, Sir. The Mover is in the House and I request that he responds so that the Minister of Government also responds.

The Temporary Deputy Speaker (Mr. Imanyara): Proceed, Minister!

The Minister for Public Works (Mr. Obure): Mr. Temporary Deputy Speaker, Sir, I was just about to say that pyrethrum is an important cash crop in this country. It is one crop from which very many Kenyan farmers have been able to benefit by way of improving their own earnings and, therefore, improving their quality of life.

It is also a crop where very little investments are required. We have the climate and facilities to be able to grow that crop. We know that at one time, we were even exporting as much as 18,000 tonnes from which we were able to earn considerable foreign exchange. Unfortunately, due to poor management and lack of foresight, production of this crop dropped to very low levels. It was as low as 2,000 tonnes in a year.

Mr. Temporary Deputy Speaker, Sir, I am aware that a lot of the points which have been raised by the Departmental Committee on Agriculture, Lands and Natural Resources are valid. They are valid because it is through mismanagement that this crop has been able to drop to those levels. We know that if we improve the management of the PBK, we can be able to achieve higher levels of production.

Mr. Temporary Deputy Speaker, Sir, eight years ago I had the opportunity to serve as the Minister for Agriculture and I know that within a very short time, we were able to turn the fortunes of pyrethrum producers in this country to a level where with very little investments, we were able to improve production from a low of 3,000 tonnes to as much as 9,000 tonnes in a space of less than a year. I, therefore, know that there is potential in this area.

Mr. Temporary Deputy Speaker, Sir, there is potential to engage Kenyans in productive activities in the sector of pyrethrum. It is for this reason that I agree with the various sentiments expressed by the Departmental Committee on Agriculture, Lands and Natural Resources and I know that there is a ready market in the world.

Mr. Temporary Deputy Speaker, Sir, I know that there are huge international organisations including commercial ventures which want to use our pyrethrum because we have a very high value content from our pyrethrum. We can sell that to those organisations and earn this country considerable amounts in foreign exchange.

Mr. Temporary Deputy Speaker, Sir, I, therefore, believe that the Government in conjunction with the rest of the stakeholders, should take a keen interest in this crop to ensure that production is improved to ensure that the potential which exists is exploited.

Mr. Temporary Deputy Speaker, Sir, I know that farmers in the Rift Valley Province, particularly, in areas like Kapenguria and Molo, areas in Nyanza Province like Kisii and even in my own constituency, have been able to educate their families and provide upkeep for them through pyrethrum farming. The potential is very great in this particular venture. Therefore, I want to join hands with my colleagues in this Parliament to support Government efforts and those of all the stakeholders, so that we can improve production of pyrethrum and make it an industry which is viable.

Mr. Temporary Deputy Speaker, Sir, I am aware that the potential is great and it is possible to improve production and enable farmers to make a meaningful living out of this crop.

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

The Temporary Deputy Speaker (Mr. Imanyara): Hon. Members, there being no other Member willing to contribute, I will call upon the Mover to respond.

Mr. Mututho: Thank you, Mr. Temporary Deputy Speaker, Sir. I want to thank the Members who have contributed and particularly, the last one because this is a country that does not honour its heroes but only honours those ones who steal in billions. This is the Minister who turned around that industry.

Mr. Temporary Deputy Speaker, Sir, it is a fact that by the time he was leaving, they had not only had buffer stock worth over Kshs2 billion but also had reserves in foreign currency of over Kshs1.5 billion. That was before he handed over to the "interesting" Ministers that followed and who led to the disappearance of over Kshs3 billion.

Mr. Temporary Deputy Speaker, Sir, I want to move by simply saying that we look at Cap.340 and also look at liberalising and the appointment of directors by the farmers and stick to the rules of the game so that everybody benefits at the end of it. I want to thank all the hon. Members that have contributed and I beg to move.

(Applause)

(Question put and agreed to)

The Temporary Deputy Speaker (Mr. Imanyara): Order No.9!

ADOPTION OF REPORT ON 119TH INTER-
PARLIAMENTARY UNION CONFERENCE

THAT, this House adopts the Report of the 119th Inter-Parliamentary Union Conference held in Geneva, Switzerland between 13th and 15th October, 2008 and laid on the Table of the House on Tuesday, 16th December, 2008.

The Temporary Deputy Speaker (Mr. Imanyara): Anybody responsible for it? Order, hon. Members! It had been indicated to the Chair that, indeed, the Chair of that Committee is now a Member of the Front Bench and the Committee has not determined who will move this Report. So, in the circumstances, I will defer that Motion.

(Motion deferred)

ADOPTION OF REPORT ON THE CONDUCT
OF "ARTUR BROTHERS"

THAT, this House adopts the Report of the Joint Session of the Departmental Committee on Administration, National Security and Local Authorities, and Administration of Justice and Legal Affairs on the investigation into the Conduct of the "Artur Brothers" and their Associates, laid on the Table of the House on 27th September, 2007.

The Temporary Deputy Speaker (Mr. Imanyara): Hon. Members, I also find myself in the unfortunate situation of chairing the House and being the person to Move the next Motion. So, I will utilise the provisions of Standing Order No.1 and defer Order No.10 also, to tomorrow afternoon.

(Motion deferred)

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Imanyara): Hon. Members, therefore, there being no other business, the House stands adjourned until tomorrow, 18th February, Wednesday at 9.00 a.m.

The House rose at 5.46 p.m.