

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 23rd June, 2009

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

QUESTIONS BY PRIVATE NOTICE

DEFERMENT OF EMPLOYERS' CONTRIBUTIONS

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

(a) How many Kenyans have left employment before retirement age and have not been able to access their employers' contribution due to the regulations made by the Minister for Finance in 2005 to defer payment of the employers' contribution for employees?

(b) Could the Minister state the total amount of employers' contribution currently withheld, how it is invested and the interest accrued thereon so far?

(c) What is the Government doing to ensure that such monies are safe and workers who leave their employment before retirement age are not exposed to any risk?

The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance (Dr. Oburu): Mr. Speaker, Sir, I beg to reply.

(a) There is no requirement for retirement benefits schemes to report to the Government on members who have deferred their benefits after leaving service prior to retirement age. There is, therefore, no comprehensive data on the number of workers with deferred benefits.

(b) Deferred retirement benefits are invested together with other assets of retirement benefit schemes. Those assets are invested by registered fund managers in different asset classes in accordance with the investment guidelines and other provisions of the Retirement Benefits Act. The diversified investment portfolio results in different interest rates being earned by different classes for each particular retirement benefit scheme. As at December, 2008, the total investment of occupational retirement benefits schemes amounted to Kshs193.7 billion.

(c) The Government has, through the Retirement Benefits Act, put in place measures to ensure that the deferred members' benefits and other retirement benefits assets are safe and secure. Those include separation of scheme assets from company assets, creation of schemes under irrevocable trust managed by an independent board of trustees and issuance of the retiree's annual benefits statement that clearly outlines their contributions and total benefits accrued to date, and a summarized report of the scheme

annual audited accounts. In addition, the Government intends to amend the Retirement Benefits Act to require that new investments by pension schemes that receive statutory contributions be invested in Government securities and infrastructure bonds issued by public institutions.

Mr. Wamalwa: Thank you, Mr. Speaker, Sir. I have just returned from the International Labour Organization (ILO) Conference in Geneva on the Jobs Crisis. The Government position was that over 10,000 Kenyans have lost their jobs and have, therefore, left their employment before their retirement age. Apart from that, is the Assistant Minister telling the House that he is not able to establish how many Kenyans have left employment before the retirement age? Is that what he is telling the House?

Dr. Oburu: Mr. Speaker, Sir, there is a survey that was done by the Government on 472 schemes involving about 25,680 Kenyans. That survey has given us some indications as to how much money is in the investment schemes and where it has been invested. But the exact number of Kenyans is not available. There is no requirement for those schemes to report to the Government on those who have deferred their retirement benefits.

Mr. Olago: Mr. Speaker, Sir, in the past, the Director of Pensions has been treating retirees as beggars when they go for their benefits. One of the problems has been that retirees have not been able to access their pensions in a way that can help them to access credit like other people. In the last Budget proposals, the Deputy Prime Minister and Minister for Finance gave an opportunity to retirees and pensioners to use what is available to them as security.

What is the Ministry doing to ensure that the Directorate of Personnel Management is given the green-light to issue instructions, so that the procedures and regulations could be effected and done?

Dr. Oburu: Mr. Speaker, Sir, the delay in processing pension benefits is as a result of several reasons. It does not necessarily depend on the Director of Pensions himself. There could be delays in parent Ministries and organizations in forwarding the required documents to the Director of Pensions. There could be many other reasons why there are delays. However, the Director of Pensions is bound by the law to process the retirement benefits promptly and there is no need to issue any further instructions. Instructions have also been given to him to allow retirees to access their retained pensions to acquire mortgages or housing.

Mr. Mungatana: Mr. Speaker, Sir, the Assistant Minister has told us that there is a plan by the Government to have the new pensions schemes to invest in Government bonds and securities. Is the Ministry not making it less profitable for the schemes and, therefore, exposing them to losses?

Dr. Oburu: Mr. Speaker, Sir, there is no requirement for all the benefit schemes to invest in Government long-term bonds. That is only with regard to statutory retirement benefits schemes. The Government bonds are very competitive because, apart from the interest rates, investors look at security. The Government bonds are more secure than investments made in the private market. There is no risk and, therefore, the schemes are very competitive.

Mr. Wamalwa: Mr. Speaker, Sir, I must commend the Assistant Minister for the changes he has made to make retirement benefits accessible to retirees for purposes of accessing mortgages, and also for purposes of making their contributions more secure.

Does the Assistant Minister have any intentions of amending the Retirement Benefits Act to remove the oppressive rule that was imposed by the former Minister for Finance, hon. Mwiraria, which denies those leaving employment before their retirement age access to their contributions? When does he intend to make those amendments?

Dr. Oburu: Mr. Speaker, Sir, the amendments are going to be done immediately. They will be brought before this House for consideration. I hope the House is going to make it possible for those who retire before their retirement age to access their benefits before they reach their retirement age.

INCREASE OF RELIEF FOOD RATION
TO MACHAKOS

Dr. Munyaka: Mr. Speaker, Sir, I beg to ask the Minister of State for Special Programmes the following Question by Private Notice.

(a) Could the Minister confirm that Machakos Town Constituency is currently allocated only 2,000 bags of relief maize per month?

(b) Could the Minister urgently consider increasing relief food ration in the constituency, considering the level of poverty and current famine and, considering further that, about 50 per cent of the population is dependent on relief food?

The Assistant Minister, Ministry of State for Special Programmes (Mr. M.M. Ali): Mr. Speaker, Sir, I beg to reply.

(a) At the moment, my Ministry makes food allocation as per districts and not as per constituencies as alleged by the hon. Member. However, the food that was delivered to the District Commissioners (DCs) for free distribution in the Financial Year 2008/2009 for the larger Machakos District amounted to 17,500 bags of maize, 1,250 bags of beans, 700 cartons of vegetable oil; all valued at Kshs47,097,000.

(b) Yes, the Ministry has considered the food situation in Machakos, but not at the constituency level. We have considered the larger Machakos District. The Ministry has included the larger Machakos District in the Emergency Operation Programme which is jointly run by the Government and the World Food Programme (WFP). The programme for Machakos is beginning this month and will run for an initial one year. The lead agency appointed to distribute food under that programme is the Kenya Red Cross Society, which is targeting a total of 105,756 people in Machakos District.

Dr. Munyaka: Mr. Speaker, Sir, I want to thank the Assistant Minister for attempting to answer the Question. However, it is unfortunate that the Ministry is not taking care of more than 400,000 residents of Machakos District. My constituency with a population of 200,000 gets only 1,000 bags of maize. Does he expect a person to survive on half a kilogramme of maize per month?

Mr. M.M. Ali: Mr. Speaker, Sir, for the information of my colleague, we do not give food to every person in any given district. I have just stated that we are handling the whole district, but not only his constituency. The hon. Member knows very well there are several divisions in his district. Each division is targeted by the food security group. Assessment is done twice in a year. The population affected by drought is provided for. Therefore, the 105,000 people affected are the very needy. There is a lot of need in the whole country. Therefore, we cannot afford to give food to each and every person in all the affected areas.

Mr. Abdirahman: Mr. Speaker, Sir, I very well acknowledge that the Ministry of State for Special Programmes alone cannot respond to disasters or droughts. Responses are now disjointed in the Office of the President, Ministry of State for Special Programmes and the Ministry of Northern Kenya and Other Arid Lands. People are actually bound to suffer if we do not have a co-ordinated response this time round. What is the Ministry of State for Special Programme, which I believe is charged with the responsibility of co-ordinating all Ministries - planning to do as things are really bad in all the constituencies in the region, including that of the current Assistant Minister who is responding?

Mr. M.M. Ali: Mr. Speaker, Sir, you will recall that a week ago, I made a statement on the Floor of this House regarding disasters in this country. Indeed, a food security situation like this or drought is one such disaster. If the hon. Member was present in the House at that time, he would have heard that we acknowledge the fact that there are various agencies that respond to disasters. We also said a policy paper has been done. The fact that various agencies are reacting at different levels is getting appropriate attention in the country. As far as food is concerned, enough provision has been made. No Kenyan will suffer because of the prevailing situation in the country.

Dr. Nuh: Mr. Speaker, Sir, for the months of May and June, the Government ration that was going to the districts that are supported through the EMOP programme was withdrawn. Could the Assistant Minister explain what informed that decision and when they will rescind it because it is causing food security constraints to the districts affected?

Mr. M.M. Ali: Mr. Speaker, Sir, I am not aware that the programme has been withdrawn. To the contrary, the programme is very much in place. This June itself, we have already disbursed a lot of food under the same programme. Therefore, it is not true that that emergency programme has been withdrawn. Possibly, in particular constituencies, because of the assessments we were doing, delays may have been made for tabulations to be done such that proper targeting can be considered, so that disbursements will be effected. Otherwise, withdrawal is not the true position.

Dr. Nuh: On a point of order, Mr. Speaker, Sir. I think the Assistant Minister is misinforming this House. I was at the Ministry Headquarters to enquire why food supply from the Government did not reach Tana River District for the month of May and June. I was told that the Government's support had been withdrawn for all the districts that are under the support of the EMOP programme.

Mr. M.M. Ali: Mr. Speaker, Sir, it is not true at all that the same has been withdrawn. It is only when we were doing the assessments to get accurate data in various constituencies that delay was caused. However, it has been addressed. In fact, in the case of Machakos District, under EMOP alone, we have been disbursing as tabulated here. These delays will not be experienced again. It happened that particular month because we were to assess to get the accurate the numbers.

Ms. Leshomo: Bw. Spika, watu wengi wanakufa njaa katika sehemu nyingi hapa nchini. Ni kigezo gani Serikali inatumia kugawa vyakula vya msaada hapa nchini? Chakula hiki huchukua muda gani kuwafikia wanachokihitaji kwa sababu huchukua zaidi ya miezi mitatu kufika Samburu.

Mr. M.M. Ali: Mr. Speaker, Sir, the programme runs on information from the ground by the steering group. We have the District Steering Group whereby the District

Commissioner is the Chairman and every Member of Parliament is a member. So, for the information of hon. Leshomo who is a nominated Member, probably, her colleague from the same constituency may be able to brief her properly, so that she has the right information. Otherwise, we send food to affected districts. Whenever we do so, we inform Members of Parliament, so that they can easily follow up. If there is any variation from what I am stating, then we should be informed in good time, so that we take appropriate action.

Mr. Wambugu: Mr. Speaker, Sir, for a long time we have been discussing and talking about relief food. What is the Government doing to arrest this situation of food shortage in the country? A lot of money is being used in provision of relief food. What is the Government doing to make sure that the money that we are using in buying relief food is properly utilized in setting up irrigation schemes, so that people produce enough food for this country?

Mr. M.M. Ali: Mr. Speaker, Sir, that is actually a very good question. I really appreciate it because we have to stop this business of relying on relief food every now and then. Various Ministries in the Government have been having consultations on this. The fact that rain-fed agriculture is no longer a solution to the problems of food in our country has been realized. In the Budget that was read by the Deputy Prime Minister and Minister for Finance a few weeks ago, as a first step, some provisions have been made to the Ministry of Agriculture to revive irrigation schemes, so that we attain food security situation. This trend will continue, so that in arid lands where rain is a problem, irrigation can be stepped up so that we solve these problems once and for all.

Mr. Lessonet: Mr. Speaker, Sir, I want to ask the Assistant Minister to focus on the next six months or one year in terms of production in this country. What plans does he have in place to mitigate in case it is a worse situation than we are in now?

Mr. M.M. Ali: Mr. Speaker, Sir, that question would have been adequately handled by the Ministry of Agriculture but I can attempt to respond to it. As you are aware, at the moment, the rains have failed. I want to state that we are now well prepared and Kenyans will not suffer because of hunger. However, we have information from the Ministry of Agriculture that by December, Kenya will harvest enough from the three irrigation schemes and I believe that problem will be solved.

Mr. Speaker: Last question, Dr. Munyaka!

Dr. Munyaka: Mr. Speaker, Sir, I am not satisfied with that answer. The situation is so grave that the people of Ukambani are staring at death with their naked eyes. The Assistant Minister is not right to say that there is a small number of people who are relying on relief food. Machakos Town Constituency alone has 125,000 people who require relief food yet they get only 1,000 bags of maize per month. So, unless the Government wants people of Ukambani to die, you are in a better position to tell us.

Mr. Speaker: Order, Mr. Assistant Minister, there is no question to respond to. Next Question, Mr. Washiali!

ORAL ANSWERS TO QUESTIONS

Question No.290

PAYMENT OF SUGAR CANE AT DIFFERENT

PRICES BY SUGAR FACTORIES

Mr. Washiali asked the Minister for Agriculture:-

(a) why sugar factories operating in the same market pay different prices per tonne of sugar cane to farmers in different zones despite the producer price being pegged on the price of sugar in the market; and,

(b) what steps he is taking to correct the anomaly.

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

(a) Sugar mills pay sugar farmers according to guidelines set by the Sugar Cane Pricing Committee on the price of cane per tonne.

(b) I have instructed all millers to prudently observe, comply and implement payments for cane delivered by farmers as per the guideline.

Mr. Washiali: Mr. Speaker, Sir, I wish to ask the Assistant Minister to take the work of this House seriously because when I was asking this Question, I knew that under your Ministry there is a Sugar Cane Pricing Committee and I expect it to come up with a formula they use that causes millers to pay different prices to farmers. For example, Mumias Sugar Factory pays their farmers Kshs2, 500 while the neighbouring factory pays Kshs3, 250. That is a difference of Kshs750. What is your committee doing?

Mr. Ndambuki: Mr. Speaker, Sir, first, I would like to correct the hon. Member. It is not "our" committee. This committee is composed of Kenya Sugar Board (KSB), Kenya Manufacturers Association (KMA) and Kenya Sugar Cane Growers Association (KSGA).

An hon. Member: In which Ministry?

Mr. Ndambuki: This is a committee outside our Ministry. It is formed on the other---

Mr. Speaker: Order, Mr. Assistant Minister! Answer questions which have been lawfully asked!

Mr. Ndambuki: Mr. Speaker, Sir, this committee is the one which determines the price of sugar cane. The way they calculate it is that they take the net of ex-factory price per tonne, divide by 1.16 and what you get, you go further and divide it by 1.04. That is how you are supposed to calculate. This was passed in 2001 and the formula was too complicated to be implemented. Just two months ago, they developed a simpler method of calculating what to be charged. For example, let us take Chemilil Sugar Factory. The ex-factory sugar price in May was Kshs3,450. They are supposed to pay the sugar delivered by the farmer at Kshs2,860. If you go down to Muhoroni, the ex-factory sugar price was Kshs3, 538 and they are supposed to pay Kshs2, 933 to the farmer for the sugar cane delivered. This is only going to apply from 1st June, 2009.

Mr. Speaker, Sir, I would like to lay on the Table of the House the guidelines which have been developed by the farmers, the Ministry and Millers. Any miller who is not going to abide by these guidelines, is going to be penalized. The guidelines are going to be gazetted this week or next week so that we can punish those who are not going to comply.

(Mr. Ndambuki laid the document on the Table)

Mr. Okemo: Mr. Speaker, Sir, you observed that the Assistant Minister was pretty uncomfortable with the calculation of the price because if you just say that you divide one number by 1.16, then by 0.4, you are really saying nothing. I am sure if you take the Assistant Minister to task to explain what those numbers mean, he would not know.

The point I am trying to make is that the Sugar Act is due for amendment. When a similar Question was asked in this House, the Assistant Minister made a commitment that the Sugar Act was under very active review and the amended version of the Act would be presented to this House. Besides the price, if you look at the formula, they talk about the sucrose content. The Minister has not even mentioned it and yet it is in the formula. There are issues like the cane should be weighed at the farm gate. That is in the Act.

Could the Assistant Minister tell us when we are going to get an amended Sugar Act which we can debate in this House and pass? As things stand now, the farmer continues to suffer.

Mr. Ndambuki: Mr. Speaker, Sir, I am surprised when Mr. Okemo says that I do not know and I do not understand what I am saying. I am sorry, Mr. Okemo, you are very wrong. I know what I am saying!

The House knows that there is a major exercise as far as reforms in the sugar industry are concerned. A Paper has been prepared and it is going to be presented to the Cabinet which is going to deal with issues like privatization. We are also going to bring a Bill here to be passed by this House. When passed, it will take care of all these discrepancies. As we wait for that to take place, we have to award our farmers accordingly. That is why we are saying that we have a simpler formula which we are going to apply from 1st June, 2009 and it is going to make the payments to farmers even better.

Mr. Olago: On a point of order, Mr. Speaker, Sir. Did you hear the Assistant Minister say that the new rules are going to take effect from 1st June, 2009 and yet, today it is 23rd June, 2009?

Mr. Ndambuki: Mr. Speaker, Sir, payment of cane is only done at the end of the month. This is what is going to be calculated. They are going to take what was the ex-factory price for May to give us what is going to be paid to farmers. I have given the figures according to specific millers.

Mr. Washiali: Mr. Speaker, Sir, I want to believe that what the Assistant Minister means by saying 1st of June, means that the price of sugarcane delivered from June onwards. Could he then confirm to the House that he is going to issue a circular or gazette that price so that the millers can comply with his regulations?

Mr. Ndambuki: Mr. Speaker, Sir, I do not need to issue a circular. The pricing committee has communicated to every miller and that is going to be applied. Those who are not going to comply will be dealt with.

Mr. Speaker: And further, Mr. Assistant Minister, you have communicated effectively today through Parliament!

Question No.142

COMPULSORY ACQUISITION OF MR. RICHARD
MWOREI'S LAND

Mr. Kapondi asked the Minister for Roads:-

(a) Whether he could confirm that the Government compulsorily acquired a one-acre piece of land in Mt. Elgon District belonging to Mr. Richard Kirui Mworei and used it as a works camp for 15 years; and,

(b) What is owed to Mr. Mworei from the acquisition and when he will be paid.

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

(a) The Ministry of Roads did not acquire any land in Mt. Elgon District belonging to Mr. Richard Kirui Mworei. Nevertheless, the land on which the Ministry's camp is established was purchased in 1981 from Mr. Kirui Chemiati (now deceased) by the then Ministry of Transport and Communications at an agreed amount of Kshs8,500. This sum was settled in full.

(b) The Ministry does not owe any money to Mr. Richard Kirui Mworei.

Mr. Kapondi: Mr. Speaker, Sir, I beg for your indulgence because the Minister has not answered the Question. I have with me a document from his Ministry which acknowledges that they were sitting on the land. There is a correspondence. With your indulgence, I will lay it on the Table. I am requesting---

Mr. Speaker: Proceed, Mr. Kapondi, and lay the documents on the Table. We will look at them.

(Mr. Kapondi laid the document on the table)

Mr. Kapondi: Mr. Speaker, Sir, I beg that you direct the Minister to come with a proper answer.

Mr. Speaker: Mr. Minister, this is a genuine letter issued by your Ministry.

Mr. Bett: Mr. Speaker, Sir, I am not familiar, neither do I have knowledge of the letter that has been laid on the Table. I would then seek your indulgence to look at the letter and maybe give an answer next week.

Mr. Olago: On a point of order, Mr. Speaker, Sir. Considering the answer given by the Minister to this Question and considering the fact that compulsory acquisition of land is administered by the Ministry of Lands, would it not be in order for the Ministry of Lands to look at this Question?

Mr. Speaker: The Question is properly directed. As I understand it, this land was being used during construction of a road or something and it was being used as a works camp. So, obviously, it is in the right Ministry.

Mr. Minister, will you be ready by tomorrow afternoon?

Mr. Bett: Yes, Mr. Speaker, Sir, except that the papers could be in another Ministry. If I find that they are in another Ministry, I will then come and brief the House.

Mr. Speaker: So that we give you adequate time, the Question will be deferred to Thursday at 2.30 p.m. Please, liaise with any other Ministry that may be relevant so that you can answer the Question without hesitation.

Mr. Bett: Much obliged, Mr. Speaker, Sir.

Mr. Speaker: Fair enough!

Mr. Mungatana: On a point of order, Mr. Speaker, Sir. The letter that has been laid on the Table with regard to that Question actually comes from the Permanent

Secretary in charge of that Ministry. The Minister has asserted here that they have made payments. Could you direct that when he comes, he should bring proper evidence that they have made payments to that innocent mwananchi? When it reaches a point where an hon. Member has to come and beg for some money from the Ministry, it is a clear case of people using the Government to oppress ordinary mwananchi. They are taking it very lightly.

Mr. Speaker: Order, Mr. Mungatana! It is so directed. Mr. Minister, can you please include that aspect in your answer?

(Question deferred)

Question No.216

REPAIR OF KWASOMBA-KASIKEU ROAD

Mr. Kiilu asked the Minister for Roads what plans he has to repair the badly damaged sections of Kwasomba-Kasikeu Road (C99).

The Minister for Roads (Mr. Bett): Mr. Speaker, Sir, I beg to reply, while noting the comments by Mr. Mungatana on the previous Question.

My Ministry has taken the following measures to repair Kwasomba-Kasikeu Road (C99):-

(i) The section between Kwasomba and Kwakotoe is being repaired under the contracted works for the 33 kilometres Kwasomba to Mwangini (E404) Road recently procured under the EU Roads 2000 Programme for Eastern Province.

(ii) The section between Kwakotoe and Kasikeu (E403) was recently improved using levy funds allocated by the District Roads Committee (DRC).

Mr. Kiilu: Mr. Speaker, Sir, I want to thank the Minister for the answer that he has given. But could he specify what kind of repairs his Ministry is carrying out between Kwakotoe and Kwasomba? Then he should also tell us when the contractor will move to the site for this road.

Mr. Bett: Mr. Speaker, Sir, this road has been tendered and the tenders have been arbitrated. The Kwasomba-Kwakotoe-Mwangini Road has been awarded to a contractor, Mjomba General Agencies. The contract is Kshs26.7 million and it will take six months. It is due to begin any time from this date or as soon as the funds are released from the Treasury. We expect the works to be concluded by November 2009.

Mr. Kiilu: Mr. Speaker, Sir, while thanking the Minister, he has avoided to tell us what specific repairs are going to be done on this road. Nevertheless, the road between Kwasombe and Kasikeu is seriously undermined by the rivers crossing at Kwasombe and Ngauni market because of continuous sand harvesting. Could the Minister tell us what he intends to do along those rivers so that he makes the road, which was recently graded, passable all year round?

Mr. Bett: Mr. Speaker, Sir, I have mentioned that the road in question will be graveled. That is the nature of repair works that will be done on that road. My Ministry is aware of two rivers that cut across these roads, one at Kwakiambo River and another one at Muoni River. The bridge is a bit wide but the District Roads Engineer has been

instructed to take measurements in order for us to find ways and means of providing a good drift across that river.

Question No.262

LOCATION OF INTERMEDIARIES
DISBURSING WEDF

Dr. Laboso asked the Minister for Gender, Children and Social Development:-

(a) To state the location of each intermediaries currently used by the Ministry to disburse the Women Enterprise Fund (WEDF), and the interest rates charged by each of the respective intermediaries;

(b) To provide a list of the women beneficiaries from the respective intermediaries in terms of geographical location; and,

(c) The measures the Ministry is taking to ensure that only intermediaries that are inclusive and accessible by all the deserving women in Kenya are used to disburse the funds.

The Minister for Gender, Children and Social Development (Ms. Mathenge): Mr. Speaker, Sir, I beg to reply.

(a) The Ministry has been using 12 financial intermediaries to disburse the WEDF. A number of them are spread countrywide like; Family Bank, Co-operative Bank, Kenya Industrial Estates, Small and Micro-Enterprise, which are countrywide except the North Eastern, the Kenya Women Finance Trust, which has now moved out of our partnership because we were not compatible; Pamoja Women Development Programme, which is in the provinces of Nairobi, Central, Eastern, Rift Valley and Western. We also have the Business Initiative and management Assistance in Eastern and Central provinces, Taifa SACCO in Nyeri and Laikipia districts. We have K-Rep countrywide, Wakenya Pamoja in Kisii and Mathira SACCO in Karatina.

(b) It is a little bit difficult to give the geographical locations of all the beneficiaries because when women go to those banks, it does not matter where you come from as long as you qualify. But in Nairobi, 6,500 women and women's groups have been beneficiaries; 50 women in North Eastern, 400 in Coast Province, 1,300 in Rift Valley Province, 850 in Nyanza Province, 500 in Eastern Province, 1,400 in Central Province and 1,000 in Western Province. That makes a total number of 12,000 beneficiaries. When you add it all up, it comes to 92,000 women.

(c) Currently, we have realized that the 11 micro finance institutions were not reaching the whole country. We, therefore, advertised in February and March, 2009, for other Savings and Credit Co-operative Societies (SACCOS) and other players. We are in the process of evaluating them so that we can reach every part of Kenya. That way, every woman can be a beneficiary of that Fund.

Thank you, Mr. Speaker, Sir.

Dr. Laboso: Mr. Speaker, Sir, the devil is always in the detail. I would like the Minister to clarify the following. If you look at the statistics that she has given us, out of the 12,000 that she has indicated, 6,000 or over half of them are from Nairobi.

Secondly, Mr. Speaker, Sir, part (b) of the Question was asking for a list of beneficiaries. I do not think it is difficult to go and find out from the intermediaries or from the banks. They all have lists. It is just a question of listing down who actually has benefitted.

Mr. Speaker, Sir, I am aware, for example, that some of the intermediaries that have been mentioned - like Co-operative Bank of Kenya or Kenya Industrial Estates (KIE) - only 14 women from the greater Kericho District benefitted from the Women Development Enterprise Fund. They got only Kshs1.8 million from KIE and yet, the women applied for loans totaling to Kshs58 million. But none of them received any funding through KIE!

So, Mr. Speaker, Sir, I would like the Minister to really tell us what is the criteria used by the intermediaries to select the women who benefit from that Fund.

Thank you, Mr. Speaker, Sir.

Ms. Mathenge: Mr. Speaker, Sir, for women to qualify for that money, you have to be over 18 years. You must be involved in a business enterprise or have a viable business proposal. You must satisfy other internal lending requirements of the financial intermediary. So, most likely, those who have applied in Kericho may not have complied with the third condition. However, as I said earlier, sometimes, women in Nairobi find it easier to apply even for projects in other provinces because of the accessibility. I have given the breakdown as I have it, but to give every name of the 92,000 beneficiaries, I think you have to give me a little time, so that I can give you each and every name of the 92,000 women who have been beneficiaries.

Mr. Ochieng: Mr. Speaker, Sir, you have heard the Minister explaining about the intermediaries, who are not well spread in the country. What is the Ministry doing to make sure that we have intermediaries in each and every province? The provinces which have been mentioned here are generally Nairobi, Central and Eastern. What about the other regions?

Ms. Mathenge: Mr. Speaker, Sir, I have already said that in February and early March, 2009, we advertized in the media for all SACCOS and people who think they can disburse those funds to apply to us. We are now completing the evaluation exercise to ensure that each part of the country is covered by the intermediaries, especially in North Eastern Province, which has not been doing very well. I would like to assure people from those areas - especially North Eastern Province and Coastal areas - that we have looked for intermediaries who are *Shariah* compliant.

(Applause)

Mr. Mwiru: Mr. Speaker, Sir, I am happy with the answer that the Minister has given at last. But although there are quite a number of applicants who have applied to disburse that particular purse for the women, in some areas, she may not receive any applications because those SACCOS are not there. I wonder what steps the Minister could take to make sure that even where SACCOS are not available and, especially, we know that most banks would want to maximize on the operations--- They might not go very far from the radius of where they operate. Could the Ministry consider affirmative action to reach out to those other areas where there are no SACCOS of that nature?

Ms. Mathenge: Mr. Speaker, Sir, that is why we have the other Constituency Women Enterprise Fund where every constituency is entitled to Kshs1 million. So, where the banks or the intermediaries cannot reach, you, as hon. Members, can reach your women.

Mr. Mbugua: Mr. Speaker, Sir, I have a problem with the Kenya Women Finance Trust (KWFT). That particular organization has made women in the grassroots even poorer! They have even gone further to become shylocks! They are charging interest rates of over 25 per cent to women in the grassroots and, in turn, they are taking *sufurias*, stools and even stoves from those women! They are making our women more poorer! How much interest should be charged to those particular women?

Ms. Mathenge: Mr. Speaker, Sir, as I said earlier, the KWFT ceased to be our partner because of charging high interest rates. The interest rate that we charge is 8 per cent.

(Applause)

Mr. Wambugu: Mr. Speaker, Sir, I would like the Minister to tell us exactly how long it takes for a group to receive its funds after application at the Constituency Women Enterprise Fund. That is because I have groups in Mathioya which applied for those funds almost six months ago and, up to now, they have not received anything.

Ms. Mathenge: Mr. Speaker, Sir, initially, the Constituency Women Enterprise Fund was allocated only Kshs1 million per constituency. It is only now that we have passed an additional Kshs1 million. So, the bulk of the women have not been able to access those funds. It was only 20 groups per constituency and, in most constituencies; it expired a long time ago.

Thank you, Mr. Speaker, Sir.

Mr. Olago: Mr. Speaker, Sir, the reason why the operations of this Fund are so opaque is because the Ministry does not disclose to the public how much money goes to which areas in this Republic. As a result, the money disbursed by the Ministry is mixed with the money from finance institutions like Maasai cattle. So, we do not know which money belongs to whom. They charge the interest that they want. What will the Minister do to ensure that the money disbursed by the Ministry is treated distinctly from the money belonging to the finance institutions? I am sorry about the Maasai cattle.

Ms. Mathenge: Mr. Speaker, Sir, unfortunately, I do not think that is possible. The only money that is distributed per constituency is the Kshs1 million. The bulk of the money is disbursed through the intermediaries. So, it depends on the intermediaries that one has and their capability to disburse the money. The hon. Member should come to my office so that I can give him the list of the intermediaries in his area. He will also know the amount of money we have allocated them.

Mr. Gabbow: Mr. Speaker, Sir, now that the Minister has accepted that an interest of 8 per cent is charged on money issued from the Fund, what is the fate of the people who have been subjected to the interest rate of 25 per cent? Will they get a refund?

Ms. Mathenge: Mr. Speaker, Sir, the only institution that did that was the Kenya Women Finance Trust. We have told them to refund back all the money we have

disbursed to them. We have also directed them to charge the women an interest of 8 per cent or transfer the loanees to other intermediaries. That is being done.

Dr. Laboso: Mr. Speaker, Sir, considering the attention and interest this Question has generated, could the Minister consider starting a sacco in each constituency and going the CDF way where the money is made available to the women in every constituency?

Ms. Mathenge: Mr. Speaker, Sir, unfortunately, saccos fall under the Ministry of Co-operative Development and Marketing. I propose that, that Question is directed to that Ministry and we shall co-operate.

Question No.130

NCPB'S FAILURE TO SELL MAIZE

Mr. Pesa asked the Minister for Agriculture:-

(a) why the National Cereals and Produce Board (NCPB) does not sell maize to the consumer; and,

(b) when the NCPB will start selling maize in their possession at the Migori Depot to the famine-stricken citizens and boarding institutions in Migori.

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

(a) The NCPB is not currently selling maize to consumers because it does not have commercial stocks.

(b) The NCPB will start selling maize at the Migori Depot once commercial stocks become available. Individuals and institutions can source maize from the open markets which have been liberalized.

Mr. Pesa: Mr. Speaker, Sir, the Assistant Minister has just said that there are no commercial stocks of maize to be sold at the Migori Depot. The hungry Kenyan does not know the difference between the commercial maize and the one under the Strategic Grain Reserve (SGR). Could the two Ministries work together and talk to the trustees of the SGR to allow the sale of maize at that depot now that maize in that area is about to be harvested?

Mr. Ndambuki: Mr. Speaker, Sir, it is common knowledge that the NCPB does not have commercial stocks of maize. What we have in our silos is for the SGR. For example, we have more than 2,755 90-kilogramme bags of maize at the Migori Depot. That maize will be used only for the famine relief programme. However, the Board will start selling maize once harvesting has been done and it has bought maize from farmers. Currently, the NCPB does not have enough maize to sell. Those who want maize can buy it from the market. Those who cannot get maize from the market will get relief food which is being distributed every month by the Ministry of State for Special Programmes.

Mr. Njuguna: Mr. Speaker, Sir, the Assistant Minister has made an effort to reply to issues pertaining to food in our institutions. When our schools went on strike some time last year, one of the reasons was that the school administrations were unable to purchase food for the students. Could the Assistant Minister reconsider his position? This is because our institutions are affected right now by the economic situation in our

country. If this is done, effective and normal learning will be maintained in these institutions.

Mr. Ndambuki: Mr. Speaker, Sir, when relief food is distributed in every constituency, the Committee can sit and decide what portion they want to give to their schools. That is allowed. However, our Ministry is a production Ministry and the one that deals with distribution of relief food is the Ministry of State for Special Programmes. I know that if the food gets to the constituency and the Committee wants to allocate a few bags to the schools, they can do so.

Mr. Koech: Mr. Speaker, Sir, the maize in the NCPB depots is bought from farmers in this country. Some of these depots are located in the same area the Government bought the maize. In some of the areas, people do not have maize and they would like to buy it. Could the Assistant Minister reconsider his position? Sometimes it is painful to the local people when they know that there is maize in the depots but they cannot access it. Could the Assistant Minister reconsider selling part of the maize to the people in the locality?

Mr. Ndambuki: Mr. Speaker, Sir, first, I would like to correct the hon. Member. Most of the maize in the silos is imported because all our maize was sold. That is not my area though. The NCPB only holds the maize on behalf of the Ministry of State for Special Programmes. So, I have no authority to allow some maize to be sold. We are only custodians. We have no authority to sanction the sale of the maize.

Mr. Koech: On a point of order, Mr. Speaker, Sir. There is a depot at Kipkaren which is in my constituency. The maize in the NCPB stores was bought from farmers in the area. No maize from outside the area is stored in those stores. That is the maize I am talking about! Is he in order to claim that maize is imported?

Mr. Speaker: Mr. Ndambuki, do you know about these stores and the fact that the maize came from the local area?

Mr. Ndambuki: Mr. Speaker, Sir, I have said that we are only holding the maize. All the maize in the various depots was imported. We in the Ministry of Agriculture have no authority to sell the maize. We are only holding the maize on behalf of the Ministry of State for Special Programmes for relief purposes. We cannot do anything else.

Mr. Pesa: Mr. Speaker, Sir, I would like the Assistant Minister to give us the source of his information. He has said that currently there are 2,750 bags of maize in the Migori Depot whereas this morning I confirmed that there are only 1,700 bags of maize which the local people supplied to that depot. Could the Assistant Minister, in consultation with the relevant Ministry, urge the trustees of the SGR to allow the local farmers to buy the maize? That stock can be replaced by the maize that will be harvested.

Mr. Ndambuki: Mr. Speaker, Sir, I would like to ask the hon. Member to put his Question and request to the Ministry of State for Special Programmes, because it is the one holding the maize. We are not holding anything. As at 22nd May, 2009, when this Question was asked, we had 2,755 bags of maize. Today is 23rd June, 2009, which is a month later. Relief food is given every month. So, some of it has been given out.

Mr. Speaker: Order, Mr. Assistant Minister! Fair enough. That matter is completed except for this, Assistant Minister. Where is the doctrine of collective responsibility? Will you, please, liaise with your counterpart in the Ministry of State for Special Programmes and see if the concerns of hon. Members can be addressed?

(Applause)

Let the matter rest there, but do what I have asked you to do.

Mr. Ndambuki: I will do so, Mr. Speaker, Sir.

Mr. Speaker: Fair enough!

Next Question, Mr. Lekuton!

Question No.015

INCREASE IN HOUSING PROPERTY
PRICES

Mr. Lekuton asked the Minister for Housing:-

(a) whether he could inform the House the magnitude of increase in housing property prices since 2004;

(b) whether he could tell the House the reasons for the huge increase; and,

(c) what immediate measures he has instituted to ensure that all Kenyans can afford decent homes.

The Minister for Housing (Mr. Shitanda): Mr. Speaker, Sir, I beg to reply.

(a) Between 2004 and December, 2008, housing property prices in Nairobi, and its environs have increased by approximately 100 per cent, while property prices in other urban areas have increased by between 30 and 50 per cent.

(b) The primary reasons for the huge increase in housing property prices in urban areas include high cost of land, mainly due to scarcity of serviced land, increased cost of building materials, supply of housing units being low at approximately 30 per cent of the total demand, sustained growth in the Kenyan economy by up to 6 per cent per annum in the last three years, preference by the investing public in housing investment as compared to stock market instruments, increased availability and access to credit, increased inflows from Kenyans living in the Diaspora into the housing sector, growth in urban population and increased rural-urban migration spurred by increased economic opportunities in urban areas.

(c) A number of measures have been taken, including rationalisation of the Ministry to ensure more focus on specific programmes aimed at facilitating the issue of delivery of affordable housing to Kenyans. We also have the Slums Upgrading Programme, dealing specifically with issues of slum upgrading and ensuring that people living and working in slums have access to affordable decent housing and related infrastructure. We also have tried to provide housing infrastructure and encouraged partnerships with the private sector to enable an increase in housing stocks and serviced land for housing.

My Ministry has also submitted to the Ministry of Finance, for consideration and implementation, a detailed list and analysis of proposed incentives that would lead to increased investment in housing by local and private sector players. My Ministry is also trying to establish appropriate building technology centres in all the 210 constituencies to

increase access to decent housing by promoting use of local building materials and low cost housing.

Finally, my Ministry is spearheading the review of the Building Code, which has been a major hindrance in the provision of housing countrywide.

Thank you, Mr. Speaker, Sir.

Mr. Lekuton: Mr. Speaker, Sir, I would like to thank the Minister for an excellent answer. In this country, the only thing that has gone up by 100 per cent within a period of four years is housing. Housing is a crucial factor in society. Every person in Kenya needs to have a house. The rest of the world, for example, China, is adopting technologies that are very efficient in building and cutting costs. Is this Ministry pursuing research that would most likely give us technology that will make housing cheaper for our people in this country?

Mr. Shitanda: Mr. Speaker, Sir, we are, currently, collaborating with various agencies in trying to do research on various forms of building materials. These agencies include our universities. However, we have had a major hindrance in the use of alternative building materials, because of the Building Code that we have been using, which was developed in 1968. My Ministry is in the process of making changes to the Building Code. In fact, there is a committee that was put in place by the Prime Minister. The Committee was given up to 24th August, 2009 to come up with a draft building code that would enable the use of alternative building materials in our urban and rural areas.

As for research, many of our universities are involved in a series of research programmes. However, issues of funding have always cropped up. We have made the necessary proposals to Treasury about the need to fund research, especially in the building sector. My Ministry has even gone ahead and set aside some land in Mavoko, where we intend to put up a building research centre, so that we can carry out these programmes and see if we can avail to the market alternative forms of building technology.

Mr. Mwangi: Mr. Speaker, Sir, the Minister has accepted that he may not have enough funds to carry out further development for the time being. Some of our local universities, in the past, had come up with some technologies that could help our communities to put up cheaper houses, so that we slow down the unplanned developments in our urban areas. Could the Minister consider buying land and starting what used to be called “site and service schemes”, so that poor members of our communities are given this land to develop reasonable housing that will reduce the expansion of our slums?

Mr. Shitanda: Mr. Speaker, Sir, through the appropriate building technology centres that we are putting up in the constituencies, we intend to utilise different forms of building technology systems to avail housing to people in both rural and urban areas. However, as I said before, the existing Building Code is very restrictive in terms of technology. It literally confines provision of housing to the brick and motor technology. The changes we are going to make to the Building Code will go a long way in trying to open up the sector to different forms of technologies. We believe that the centres we are putting up in the constituencies will be used by the Government to disseminate information on the forms of technology that will be put in the market.

Mr. Chanzu: Mr. Speaker, Sir, part “a” of the Question is fairly statistical. The Minister outlined the number of factors that have caused these price hikes. If we are to

address these problems, we must know the magnitude in terms of proportions. Could he give this House an indication of the proportions of these factors in percentage terms?

Mr. Shitanda: Mr. Speaker, Sir, the housing shortage in the urban areas stands at 150,000 housing units as of today. We have 300,000 housing units in the rural areas.

Mr. Lekuton: Mr. Speaker, Sir, some of the reasons the Minister has given us for high prices for homes are that people outside our country remit money. There is also the issue of high prices of gas. The whole world is now facing recession. The prices of gas which produce products that are used to build have all gone down. Could he tell the House whether we are likely to see the prices of houses in Kenya fall?

Mr. Shitanda: Mr. Speaker, Sir, the prices of houses are normally dictated by a number of factors, including the cost of oil. However, my Ministry's initiatives aimed at providing incentives to home developers are geared towards making housing more affordable than it is today.

Mr. James Maina Kamau: On a point of order, Mr. Speaker, Sir. One of the many reasons why prices in Kenya are going through the roof is because of the influx of uncontrolled foreigners in this country. A town like Malindi has been overtaken by foreigners. That is one issue the Minister is not telling us.

Mr. Speaker: Order, Mr. Kamau! That is a matter of argument, not a point of order.

Proceed, Mr. Minister. You need not respond to that.

Mr. Shitanda: Thank you, Mr. Speaker, Sir. As I was saying, the prices are normally dictated by several factors. The Government can address some of these factors through the Ministry of Finance. We have made the necessary proposals. Other factors like prices of oil are out of our control. I want to assure the hon. Member that if the Ministry of Finance can extend all the incentives proposals that we have forwarded to them, you can be sure the prices of houses will come down.

Question No.155

COMPLETION OF ANIMAL HOLDING RINGS
AT NDI AND KASIGAU

Mr. Mwakulegwa asked the Minister for Livestock Development:-

(a) If he could confirm that the projects to construct animal holding rings at Ndi and Kasigau Trading Centres were not satisfactorily done;

(b) How much each of the projects cost and the steps he is taking to ensure satisfactory completion of the projects; and,

(c) If he could also explain why construction of Bachuma LMD Research Centre has stopped and indicate when the same will commence.

The Assistant Minister for Livestock Development (Mr. Duale): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that there was poor workmanship during the construction of Kasigau Animal Holding rings. Therefore, the implementation team has instructed the responsible constructor to re-do the work. Meanwhile, the construction work at Ndi is

going on and it is being closely monitored by the same team in order to ensure quality work.

(b) While the Ndi Project is estimated to cost Kshs737,880, the Kasigau Project is estimated to cost Kshs703,372. To ensure that both projects are completed to the satisfaction of the community and the Government, the project implementation team has been instructed to monitor the project closely and report back.

© I would like to clarify that the name of the project is known as Rehabilitation of Bachuma Holding Ground and not Bachuma LMD Research Centre as the hon. Member has put it.

I would also like to point out that the rehabilitation of Bachuma Holding Ground has not stopped and is ongoing. The work is planned to take place in three phases covering three financial years that is 2007/08, 2008/09 and 2009/10. The first phase has been completed. It entails the construction of a veterinary laboratory complex. The second phase involves the procurement of laboratory equipment which will be completed before the end of this financial year. The final phase which is 2009/10 will entail the handing over, staffing and starting of the project .

Mr. Mwakulegwa: Mr. Speaker, Sir, I would like to thank the Assistant Minister for being honest enough to say that there was poor workmanship. I just want him to ascertain that the poor workmanship was due to the collusion between his officers and the contractors, so that they could make huge profits for them to divide among themselves.

Mr. Duale: Mr. Speaker, Sir, I admitted the poor workmanship. I have urged the said contractor to re-do the works. I think the business of the Ministry and the Government is to make sure that contractors always give us quality for our money.

Mr. Mwadeghu: Mr. Speaker, Sir, is the Minister aware that Bachuma Holding Ground is no longer a holding ground, but has been invaded by thousands of cows from his home area? There is the possibility of it becoming a desert. What is he doing about it?

Mr. Duale: Mr. Speaker, Sir, I expect the hon. Member to say which is my home area. My home area is Garissa. There is nothing wrong with Garissa Livestock keepers moving all the way to Bachuma, Nyanza and Rift Valley. That is not a crime. Coming to the question, Bachuma Holding Ground is Government institution land. We earmarked the holding ground for the Vision 2030 disease-free zone which the Government is implementing.

Mr. Mwakulegwa: Mr. Speaker, Sir, Taita District being an animal disease-free zone, what plans does the Ministry have to fully comply with the requirements of a disease-free zone in that particular area?

Mr. Duale: Mr. Speaker, Sir, the creation of a disease-free zone along the coastal belt is the flagship project of the Ministry of Livestock Development in the Vision 2030. We expect Kshs3 billion from the Saudi Fund for Development in collaboration with funding from the Kenya Government. I am sure that the respective hon. Members from those regions will be consulted. The disease-free zone that is part of the Ministry's flagship project in Vision 2030 will be achieved.

Question No.113

RENOVATION OF LODWAR DISTRICT
HOSPITAL MORTUARY

Mr. Ethuro asked the Minister for Medical Services:-

(a) what urgent steps he is taking to renovate the mortuary at Lodwar District Hospital and provide a functioning ambulance to the hospital; and,

(b) what referral arrangements are in place between Moi Referral Hospital in Eldoret and the Lodwar District Hospital to ensure patients are treated speedily and promptly.

The Minister for Medical Services (Prof. Anyang-Nyong'o): Mr. Speaker, Sir, I beg to reply.

(a) From February 2009, the management of Lodwar District Hospital adopted an alternative method of preservation of bodies called embalment. This was occasioned by frequent breakdowns of the mortuary coolers on account of high external temperatures in Turkana and power surges which was putting a big strain on hospital funds. Two mortuary technicians were trained on the procedure and are now effectively applying the method to preserve bodies. The Ministry will, however, set aside funds in the first quarter of the new Financial Year 2009/2010 to rehabilitate some of the coolers at the hospital. This will be for the purpose of preserving limited bodies for which postmortem may be necessary.

Mr. Speaker, Sir, the hospital has one serviceable ambulance Registration No.GK A493N. It broke down last month on a routine trip to pick up a patient from Katilu Health Centre. It is currently in the garage undergoing repair work and modification which includes replacement of the heavy metal cabin with a lighter one made of fibre glass. The repairs and modifications will be completed by July 2009.

(b) Unlike Lodwar District Hospital which is a facility directly managed by my Ministry, Moi Teaching and Referral Hospital is a State corporation operating under a Board of Directors and independently managing its resources. For this reason, the hospital must maintain a balance of expenditure and income which includes subsidized charges levied on patients. Lodwar District Hospital on average refers five cases per month to Moi Teaching and Referral Hospital. These are normally patients with head injuries and those requiring orthopedic operations or CT scanning. Moi Teaching and Referral Hospital receives such cases subject to compliance with its admission procedures which include payment of a deposit. Where patients are not able to raise deposits, procedures to access credit or waiver facilities are initiated. However, emergencies are always attended to promptly and issues of payments sorted out afterwards.

Mr. Ethuro: Mr. Speaker, Sir, I would like to thank the Minister for attempting to answer the Question. However, he is not properly briefed on the state of the ambulance and the condition of the mortuary. He is referring to February this year while the mortuary has been malfunctioning for the last five years. He is talking of an ambulance that broke down last month. However, it is a fact that the ambulance has been out of operation for the last three months. In fact, this procedure called embalment can only preserve bodies for five to seven days. How much money is the Minister going to allocate to ensure that all the coolers are repaired and not just "some" that he is referring to and "limited" bodies? How do you choose which body to preserve and which one not to?

How much money has been allocated to make sure that all the seven coolers at the district mortuary are functional?

Mr. Speaker, Sir, high external temperatures are considered to be a problem so is he condemning us to become Muslims who should bury within 24 hours without reciting *shahada*.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, far be it from me to consign the Turkana nation to a shorter period of being together with their departed. It is my hope and prayer that Mr. Ethuro will obviously have the opportunity to put to rest the departed ones in a dignified and proper manner. In that regard, we are determined and I give him the assurance that the coolers will be repaired in the first quarter of this financial year. Nonetheless, embalment when done properly can preserve bodies for seven days and can be done to continue preserving the bodies. That is why in these mortuaries, we prefer both embalment and use of coolers. The hospitals can never determine afore-thought how many people will need mortuary services. In that regard, I will work very closely with the Member of Parliament to ensure that we have proper mortuary facilities at the said hospital.

Mr. Speaker, Sir, when it comes to the ambulance, Mr. Ethuro is right. This ambulance broke down from, as far as I know, May this year. It broke down while on duty and being used. At the moment, it is at the garage and one good thing is that it is being modified to be much more roadworthy and offer better services by the use of fibre glass on the passenger side. I ask the Member of Parliament to be patient and wait for this vehicle to come out of repair and we will ensure that it is roadworthy when used. I hope that we shall do our best to bring it back to the road as quickly as possible.

Mr. Mungatana: Mr. Speaker, Sir, one of the inventions of technology in recent years is tele-medicine which is supposed to give treatment to people in places where it is not easy to access doctors and in fact, very specialized attention. These are places such as Turkana and others including Garsen Constituency. Of late, there has been a development known as doctors-on-line. These doctors-on-line are able to give information on your sickness, treatment and prescribe medicine. As a House and the public in general, we would like to know, are we secure? Are there rules which have been gazetted to accommodate this otherwise very good information technology? If not, what is the Minister doing? It is not only in Garsen and Turkana, but also here in Nairobi there could be people who live like bachelors or spinsters who may not be able to access medical facilities. They may want to use facilities such as doctors-on-line. They have already rolled out these services, what is the Ministry doing to protect the public?

Mr. Speaker, Sir, it is very serious because if you look---

Mr. Speaker: Order, Mr. Mungatana!

Mr. Mungatana: Mr. Speaker, Sir, I have made my point. I really hope the Minister can do something because people are exposed to people who can even be posing as doctors but are not qualified or known by the Kenya Medical Association (KMA).

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, the issue that the hon. Member is raising is a very serious matter. It relates to doctor – patient confidentiality. We also know that tele-medicine is science and technology that can speed up diagnosis and make people in far away places be treated by doctors who are not physically present. In the end, the hon. Member is right that there should be rules and regulations that protect privacy and confidentiality while making use of the benefits of tele-medicine.

My Ministry has done a base line survey of the conditions in all our medical facilities in terms of equipment and personnel in preparation for using tele-medicine. There is no need rolling out tele-medicine when you do not even have the basic information as to which facility can have access to ICT or which people are ready to be trained to use this facility.

Mr. Speaker, Sir, we are still a little bit far behind in the sense that we must take account of the facilities that we have; know what we have, know what gaps exist and put in place proper basic facilities for using tele-medicine. I hope that when we begin this exercise in the urban centers where this can easily be done, we will have the proper experience to write the proper rules and regulations that will protect privacy and confidentiality when tele-medicine is fully rolled out.

Mr. Mungatana: Mr. Speaker, Sir, the Minister has addressed the tele-medicine bit of it. I am happy that he is considering making those rules. However, already, in the market, there are doctors online. If you send a text message which had already been advertised, they will give you advice. Is the public safe with this service which is being utilized right now? If we are not certain and there are no rules, is the Minister satisfied that, that particular service through Short Message Service (SMS) should continue?

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I appreciate the hon. Member's concern. I am not satisfied. However, this touches not only the Ministry of Medical Services but also the whole issue of freedom of information in the nation. I think this is a multi-sensitive issue that should be handled by the Government as whole. However, from the point of view of the Ministry of Medical Services, before I can have certain rules or regulation, I will pass a cautionary remark to Kenyans that health is such a delicate thing. Please, do not rely on somebody who calls himself a doctor just because he can send you an sms or can talk to you on the phone. The confidentiality needed at this point in time requires something more than just an sms or being online. That is the caution I would pass to Kenyans.

(Applause)

Mr. Ethuro: Thank you, Mr. Speaker, Sir. I will talk about the answer given by the Minister to part "b" of the Question in terms of the ambulance given and the referral arrangements. This ambulance is a double-cabin, a vehicle which Mr. Bifwoli, who is an Assistant Minister was crying foul that he cannot use. How does he expect a patient from Lodwar District Hospital to be transported a distance of 400 kilometers to Moi Teaching and Referral Hospital, Eldoret, sitting or sandwiched between his relatives at the back of a double-cabin? In most cases, by the time they get there, they are equally almost dead because of the road. It is sad. There are also no mechanisms to ensure that the patient is received by the people at the referral hospital to the extent that some patients have to start from the Outpatient Department. Just because the Moi Teaching and Referral Hospital, Eldoret, is a State corporation, it is not a reason for the Minister to duck his responsibility. It is up to him to ensure that Kenyans are treated properly wherever they are.

Mr. Speaker: Order, Mr. Ethuro! Mr. Minister, you only have one question to answer.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, the hon. Member is right. The vehicle in question is a double-cabin. The breakage that occurred affected the chassis of the vehicle. We are taking action by going a little bit further to replace the metal cabin with a fiber glassed cabin which is much lighter and will not endanger the chassis as the previous heavy metal did.

Secondly, with the fiber glass cabin, it will be possible to introduce more facilities for comfort for more passengers because the fiber glass is lighter and you can put in facilities for more patients. We will go further than that. I would like to assure my friend, Mr. David Ethuro, that a district hospital like Lodwar has one ambulance. That is why I have said that we have done a baseline survey in all our medical facilities like the district and subdistrict hospitals to find out the gap that exists and see how we can bridge it. That will require budgetary allocation. I empathize with my friend but at the moment, we can only use what we have. My desire is that we have yet another ambulance at the Lodwar District Hospital so that when one breaks down, the other one is available to be used by the hospital. The hon. Member's concern is real and I think the Ministry will take that into full account.

Mr. Speaker: Hon. Members, that brings us to the end of Question Time. Question No.229 is deferred to tomorrow morning at 9.00 a.m. Please, Mr. Minister for Medical Services, take note. Questions 004 and 260 are deferred to Thursday 2.30 p.m. We will now take a few Ministerial Statements starting with the Ministry of Local Government.

Question No.229

CONSTITUTION OF DISTRICT HOSPITAL
MANAGEMENT BOARDS

(Question deferred)

Question No.004

DE-GAZETTEMMENT OF DODORI NATIONAL GAME RESERVE

(Question deferred)

Question No.260

ESTABLISHMENT OF COURT SERVICES IN
MBITA/ SUBA DISTRICT HEADQUARTERS

(Question deferred)

MINISTERIAL STATEMENT

IRREGULAR ALLOCATION OF FIRE STATION

PLOTS IN NAIROBI

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Mr. Speaker, Sir, I wish to give a further Statement arising from issues raised by the hon. Member for Kamukunji, Mr. Mbugua, with regard to fire stations in Gigiri, Ruaraka and Imara Daima.

I wish to state as follows: It is true that the Gigiri fire station plot was earmarked for a fire station and allocated to the Council. However, the Council under the Nairobi City Commission allocated the said land irregularly to a private developer by the name Simon Mukala in 1990. In 1995, the then taskforce appointed to run the City Council of Nairobi allocated the said land irregularly to Mr. Paragi I. Modi. The two parties are in court over the ownership of the said land vide case (No.H2156/2007), Scorpion Properties vs P.I. Modi. Unfortunately, there are no records to inform on the circumstances under which the transactions were executed. A legal process of transacting transfers would entail Council minutes, resolutions and Ministerial approval. These legal provisions were not adhered to in the transfer of the land. The information on the irregularity of the plot allocation was given to the then Minister for Local Government, the late Mr. Karisa Maitha, who forwarded the same to the Ndung'u Commission for the plot to be repossessed. The Commission has finalized the Report but the Government is yet to adopt it. Early this year, the City Council of Nairobi engaged the residents of Gigiri on matters pertaining to the development of the area. This plot was a subject matter of discussion. As a result, the Council has issued enforcement notices on the temporary use of the said plot for display of motor vehicles. Arising from the fact that the matter is in court and the plot having been listed in the Ndung'u Report, I have directed that no development should be approved on this site. The temporary use currently on site should cease forthwith by enforcing the notice which has already been served to the occupants.

I will lay on the Table a copy of the notice that has been served with respect to the Gigiri Fire Station.

On the Ruaraka Fire Station Plot, the subject plot LR No.7879/9 was part of a subdivision from plot LR.No.7879/3 owned by Joreth Limited. Upon the subdivision in 1994, the plot LR.No.7879/9 was to be surrendered to the Government of Kenya free of cost for a fire station. However, there are no records to show that the plot was ever surrendered to the Council. However, there are records to show that the plot was registered in the name of the original owner, Joreth Limited. In default of rates payment for parcels of LR.Np.7879/8 and 7879/9 and 7879/10 all of which were under the ownership of Joreth Limited, the Council exercised its powers under the Rating Act and auctioned the properties on 17th June, 1994 under orders given by the Chief Magistrate's Court in a civil case No.776 of 1991. The plot was then bought by Rafiki Enterprises. The transfer of the land was effected via a vesting order dated 29th September, 1994. At no time did the Nairobi City Council (NCC) have documents of ownership of the referred properties. There is no allocation carried out by the Council in respect of this one.

Mr. Speaker, Sir, there is also the Imara Daima Fire Station. The land where Imara Daima falls was called Villa Franca. This was Government land. The Ministry of Lands did the structure plans and the NCC is not aware of any fire station and neither was it ever allocated land for a fire station in this area.

The hon. Member, in his submission, has also been unable to present documents in support of a fire station site in Imara Daima. After a careful scrutiny of the documents presented by the Member, we have realised that most of them concern issues outside the question raised here. There are a number of documents which relate to commercial development in New Muthaiga, where the residents' association and property owner are in court over the ownership of the property. The case reference number is High Court Case No.ELC226, New Muthaiga Residents Association versus the NCC and another, who is the developer, is relevant.

In view of the matter pending in court, I have directed the Council to stop further development on the site and re-evaluate the change-of-use granted in terms of compatibility with the development in the neighbourhood and to determine any incidences of abuse if any. As far as the building plan is concerned, the Council has been directed to present an item for disapproval in the relevant committee immediately.

There are other sets of documents which refer to property development with no connection to fire stations, for example, Village Market development and other properties in Shauri Moyo.

Mr. Speaker, Sir, for the Gigiri/New Muthaiga Area, I will table the enforcement order which has been issued by the NCC, to make sure that no further development takes place.

On the way forward, in view of the seriousness of land issues in the City, my Ministry through the Council will look into the following:-

1. An audit of all public facilities in the city.
2. Initiate a process of titling of the public facilities land, developed and undeveloped for purposes of securing them from grabbing.
3. Measures will be put in place to reduce incidences of politically-instigated invasions of both private and public land, especially in Embakasi, Kasarani and Kamukunji, to reduce conflicts and incidences of illegal development.
4. Streamline land alienation processes where ministerial approval must be sought at all times.
5. Development of the necessary capacity in the Council to handle land matters expeditiously by hiring additional planners and land valuers.

On issues of investigation over corrupt practices, under normal circumstances, public officers under investigation over corrupt practices will be suspended to pave way for independent investigations. However, officially, no officers of the Department of City Planning are under investigations over corrupt practices. Nonetheless, officers of the Department, like all public servants, assist the agencies concerned when called upon to give professional inputs which will aid investigations of corrupt practices.

Mr. Speaker, Sir, finally, I would like to assure hon. Members that my Ministry is committed to the protection of public property in accordance with the law. I would like to table the enforcement orders that have been issued by the NCC over these plots.

(Mr. Mudavadi laid the documents on the Table)

Mr. Speaker: Order! Hon. Members, you will recollect that this matter was partly dealt with about two weeks ago. This was just a further statement on issues which

arose as a result of documents tabled by Mr. Mbugua. I will allow three clarifications beginning with Mr. Mbugua.

Mr. Mbugua: Thank you, Mr. Speaker, Sir. Since I sought this Ministerial Statement, you will realise that two catastrophic fires have destroyed a building in Upperhill and a hotel in Mombasa. It seems as if the Deputy Prime Minister and Minister for Local Government does not have information on how his Ministry is run. To support my claim, the plot which was allocated as a fire station in Gigiri has already been demolished. I do not know if the Deputy Prime Minister and Minister for Local Government is aware of that.

Mr. Speaker, Sir, with your indulgence, I would like to seek two clarifications from the Deputy Prime Minister and Minister for Local Government. The property in New Muthaiga was a school. Not everybody can afford to take his or her children to St. Andrews in Turi and other expensive schools like Braeburn. There are ordinary citizens in this country who would like to take their children to low-cost schools. The Deputy Prime Minister and Minister for Local Government has said that he has given an enforcement notice regarding the plot in New Muthaiga, but this morning there was construction going on. Please, let him liaise with his officers in City Hall---

Mr. Speaker: In a nutshell, what clarification do you want, Mr. Mbugua?

Mr. Mbugua: Mr. Speaker, Sir, could the Deputy Prime Minister and Minister for Local Government assure this House that the development in New Muthaiga will be stopped immediately?

Mr. Speaker: Seek the second clarification!

Mr. Mbugua: Mr. Speaker, Sir, I know Mr. Kisia as being a very transparent individual. I think he has been "swallowed" by corruption in the NCC since he joined the Council. That is why he is unable to tell the Deputy Prime Minister and Minister for Local Government the truth.

Mr. Speaker: Order, Mr. Mbugua! What is the second clarification that you want to seek?

Mr. Mbugua: Mr. Speaker, Sir, could the Deputy Prime Minister and Minister for Local Government tell this House how they can disregard objections from 249 residents in respect to the plot in New Muthaiga? How can they continue----

Mr. Speaker: Order, Mr. Mbugua! You have done well. You want two clarifications and the Deputy Prime Minister and Minister for Local Government has heard you. Anybody else interested in seeking a clarification from the Deputy Prime Minister and Minister for Local Government?

Yes, Mr. Mungatana!

Mr. Mungatana: Mr. Speaker, Sir, the fire that broke out in Malindi Town caused a major devastation to a big investment. Could the Deputy Prime Minister and Minister for Local Government tell this country whether it is, indeed, true that no fire brigade arrived on time or the ones that came did not have water? What plans does he have to increase the capacity of Malindi Town fire brigade to cope with such fire since it is not the first one?

Mr. Mwangi: Mr. Speaker, Sir, the issue being raised here about land grabbing in the City and other urban areas is a serious problem. Slums have been expanding in Eastlands and yet no public land is left for building public schools. Could the Deputy Prime Minister and Minister for Local Government assure this House that public land

that was set aside when Nairobi was being developed will be reclaimed or the Government will buy new land to develop social facilities, for example, schools for the poor lot in this City?

Mr. Speaker: Mr. Deputy Prime Minister and Minister for Local Government, could you respond to those clarifications?

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Mr. Speaker, Sir, first of all, I want to say with respect to hon. Mbugua, the fact of the matter is that the people who went to demolish the building in the Gigiri area is actually the City Council enforcement officers. That is what he did not acknowledge. They are the ones who are enforcing that particular order.

The second point I would like to make is that with regard to New Muthaiga, I shall table the enforcement order here. On 19th June, one of the people associated with the development was arrested. This is the supervisor/owner of that project. His name is Hussein Chatur. He has been charged in the City Magistrate's Court, case No.349/09. He was released on a cash bail of Kshs30,000. Therefore, this matter is now in court. We have charged the person who is undertaking those developments there. At the same time, I would like to state that I have directed that the enforcement order be fully enforced by the City Council of Nairobi.

Mr. Speaker, Sir, with regard to Malindi, I wish to state that it is unfortunate and we regret that this fire has caused a lot of damage to a major investment in Malindi. At the moment, I want to acknowledge that Malindi and several other local authorities are not well equipped to deal with the problem of emergencies such as fires. Indeed, we have made some requisition with the Treasury to be supported in the next financial year, so that we can acquire more vehicles that can be given to areas like Malindi and other towns, so that they can help in dealing with emergencies. So, when that issue comes up for debate, I hope we shall get the support of the House, so that we be allocated those resources to achieve our objective.

The other point I would like to mention is that we have suffered some setbacks, particularly in the Coast Province following some skirmishes between the Council in Mombasa and, indeed, some of the people who were claiming to be hawkers. There is every indication that this may not have been hawkers because they organised themselves and burnt down a brand new fire engine vehicle belonging to the City Council of Mombasa. This was one of the vehicles that were assisting the whole of the Coast zone when there was emergency. So, as we look forward to acquiring more vehicles, I think it would also be important that we, as leaders, actually advise and condemn any act that damages emergency vehicles.

I want to assure the hon. Member who spoke on the issue of land allocations---

(Mr. Mbugua stood up in his place)

Mr. Speaker: Order, Mr. Mbugua! Allow the Minister to respond!

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Mr. Speaker, Sir, as I said in my statement, on the issue of land allocations, one of the things that we want to do is to carry out an audit of all public land and also ensure title deeds are obtained; whether for schools or hospitals. That way we shall be

able to secure the land that belongs to the Nairobi City Council or any other local authority.

Lastly, I would like to plead with the hon. Member of Kamkunji that it is really not necessary to assume that because Mr. Kisia or anybody has just moved into office, he has already being subsumed by corruption. I think it is a little bit unfair to the individual who cannot defend himself in this House.

Mr. Mbugua: On a point of order, Mr. Speaker, Sir. Is it in order for this Minister to refuse to answer my Question? There were 249 objections. Why did the Council---

Mr. Speaker: Order, Mr. Mbugua. Mr. Minister, you have not responded to that issue which Mr. Mbugua raised. Why did you not respect the over 200 objections that were made in respect of the property in New Muthaiga?

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Mr. Speaker, Sir, I think we are exactly where we are because the Council did not take that into account when planning. That is the fact of the matter. It is an issue that happened. We are now trying to reverse that process. That is the best I can say. At that time, the people who received the plans and looked at them, should have taken into account that issue. But it appears that they did not. They have put us where we are, so that we are trying to enforce the orders to stop the development.

Mr. Waititu: On a point of order, Mr. Speaker, Sir. Considering that most of the fires in Nairobi occur in Eastlands and considering that I had asked the Minister to give an undertaking about the plots that have already been grabbed in Eastlands, what is the Ministry doing to safeguard those plots that were earmarked for fire stations in Eastlands?

Mr. Speaker: Member for Embakasi, you are out of order. But because you are so passionate about that matter, I will allow the Minister to respond!

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Mr. Speaker, Sir, judging from what has started happening in Gigiri and New Muthaiga, we shall vigorously pursue plots that belong to the public in other parts of Nairobi.

Mr. Speaker: Fair enough! We will take one more Ministerial Statement. The rest, I am afraid, will have to be given tomorrow and two days after. So, we will take the statement in respect of hiring of a German national coach by the Ministry of Youth Affairs and Sports.

Professor Sambili, this is due according to us.

(Prof. Sambili walked to the Chair)

Order, Minister! You have a microphone there to address the House.

The Minister for Youth Affairs and Sports (Prof. Sambili): Thank you, Mr. Speaker, Sir. I was told that this Ministerial Statement is due on 30th. So, I am not ready with it.

Mr. Speaker: You are not ready. Could you be ready by Thursday?

The Minister for Youth Affairs and Sports (Prof. Sambili): Yes, Mr. Speaker, Sir.

Mr. Speaker: Fair enough, Thursday at 2.30 p.m.

The Deputy Prime Minister and Minister for Local Government, could you do the statement on incessant confrontation between and law enforcers in the next five minutes? Try!

INCESSANT CONFRONTATIONS BETWEEN HAWKERS
AND NAIROBI CITY COUNCIL ASKARIS

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Mr. Speaker, Sir, I wish to make this Ministerial Statement arising from queries raised by hon. Danson Mungatana.

My Ministry is aware of the incidents cited, but denies that it was privy to any interference by any politician to the orderly settlement of hawkers. The ministry has always endeavoured to promote through rule of law even in extreme circumstances when hawkers and other illegal traders take up public roads, foot paths and all available open spaces meant for use by all citizens residing in any municipality.

Mr. Speaker, Sir, there are over 7 million hawkers, street traders and *Jua Kali* operators all over the country. They operate in designated areas, undesignated areas, private land and grabbed land. The removal of hawkers and street traders from undesignated areas through court orders or other persuasive methods are often resisted by the hawkers thus necessitating the use of reasonable force. The Ministry notes with sadness that some criminal elements have infiltrated the hawking and informal sector in general. This complicates civil management of the informal sector. Genuine hawkers have their associations which are constantly in consultation with the relevant Government and municipal authorities.

Mr. Speaker, Sir, a case in point is the Nairobi Ministerial Hawkers Harmonization Committee which was formed under the auspices of my Ministry two years ago to co-ordinate orderly relocation of hawkers in Nairobi. The success of this pilot scheme led to the settlement of hawkers at Muthurwa Market. My Ministry is now also up-scaling the project to other local authorities.

In May, 2008, the Ministry instructed all local authorities to acquire land for the settlement of hawkers and street traders. This is ongoing. The settlement and management of hawkers and street traders is now part of performance contracts in local authorities. It is also important for hon. Members to note that the informal sector management and functions cut across over 12 Ministries without central coordination. That, in effect, contributes to duplication of efforts and confusion within the sector. It is in recognition of that reality amongst other challenges that my Ministry in September, 2008 in conjunction with the National Economic and Social Council and in consultation with other stakeholder Ministries, established an inter-Ministerial Committee to formulate a national policy on micro and medium enterprises and steer the integration of the informal sector into the national economy. The inter-Ministerial committee constitutes 12 Ministries, four strategic Government organizations and two consultants. Its terms of reference in brief are as follows: -

(i) To constitute a national institutional framework to manage medium to small enterprises in order to remove duplication of efforts and to build consensus on national programmes for the hawkers.

(ii) To formulate a national policy on the management of these informal businesses and to ensure that all informal sector enterprises are incorporated into the mainstream economic programmes.

(iii) To spearhead a national stakeholders conference bringing together all stakeholder Ministries, hawkers organizations and possible donors for consensus and agreeing on the way forward.

(iv) To formulate a national legislation and other regulatory by-laws to guide the local authorities and the sector in general.

Mr. Speaker, Sir, I am happy to report that the inter-Ministerial Committee has already formulated a draft national policy which is due to be discussed at a national stakeholders conference. The committee will also discuss suggested legislative frameworks, incorporating an Act of Parliament and regulatory by-laws. The national policy proposes to establish a national board and a national secretariat which shall be inclusive of the informal stakeholders and Ministerial stakeholders and we hope that this will be replicated at the provincial and district levels to support the small-scale traders.

Mr. Speaker: I will allow three clarifications beginning with Mr. Mungatana.

Mr. Mungatana: Mr. Speaker, Sir, let me thank the Minister for the Ministerial Statement. I am glad to hear that there is an inter-Ministerial Committee and that there is a national policy that has come up on how we should handle the question of hawkers because these 7 million people are with us and we cannot wish them away. What I want to know is that, he has said that the settlement of hawkers is part of the performance contract for local authorities. How many have been settled, particularly in Mombasa City? There was violence there and property belonging to the municipal council was destroyed. How many have been settled? How is he handling this Ministry so that there is confrontation now and during the Late Mr. Karisa Maitha's time, there was no such confrontation?

Dr. Khalwale: Mr. Speaker, Sir, the Minister has told us about the use of reasonable force when they are dispersing the hawkers. I would like the Minister to tell us whether in his view "reasonable force" includes breaking of limbs and loss of lives as evidenced by the death of an innocent restaurant attendant. I also want him to clarify whether he is, indeed, aware that all over the world, in developing countries, the support of small and medium-scale enterprises is the back-borne to rapid growth of the economy. If that is the case, does his Ministry realize that these hawkers and *Jua Kali* people are the real people who are going to change our economy?

Mr. Waititu: Mr. Speaker, Sir, the Government and City Council of Nairobi had earmarked 12 market places in Nairobi to be developed for hawkers so that the number of those who come to Muthurwa Market can reduce and the clashes between them and City Council *askaris* could reduce. How far has the Ministry gone with the plan to develop the 12 markets?

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Mr. Speaker, Sir, with regard to the issue raised by Mr. Mungatana, I admit that at this point, I do not have numbers that I can quote as to how many hawkers have been settled in Mombasa. I can undertake to obtain and present to the House at a later date. The second point with regard to Mombasa and the issue of performance contracting, I just want to elaborate that when you talk of performance contracting within the local authorities, it is supposed to be viewed in a positive context and not in the negative. It

should not be judged on the basis of eviction of hawkers. What we are looking for in this particular area is meaningful settlement of those hawkers so that they can continue doing their business and at the same time improve our cities. So, I would like to clarify that we are not putting officers under performance contracts on the basis of evicting hawkers. We would like them to come up with clear solutions. As much as possible, they should dialogue and reason with the hawkers.

Mr. Speaker, Sir, I want to agree with Dr. Khalwale, that reasonable force does not entail breaking people's limbs or killing them. That is not what is envisaged when we talk about reasonable force. Where there is death then appropriate investigation must be taken into account and whoever is responsible can face the full impact of the law.

I also want to emphasize that we really want to help these 7 million people because the formal sector is not generating enough jobs. In fact, when they keep on talking of half-a-million jobs to be created in a year, the statistics show that the formal sector only creates a fifth of them but most of the jobs come from the informal sector. So, they have to be supported and there has to be a clear strategy. I hope that we can accelerate that so that Parliament can also engage in helping us refine that policy.

Mr. Speaker, Sir, on the issue of markets in Nairobi Area, I want to tell the hon. Member that we are pushing hard and I would be glad to come up with a separate brief for the House on the progress that is being made in this area.

Mr. Mungatana: On a point of order, Mr. Speaker, Sir. The Minister has said that he is going to give an undertaking to come back to this House to give us the figures of those hawkers who have been settled in Mombasa. This is a very serious issue. The information we have is that the attitude the Mombasa City Council has adopted is to remove every person from the streets even the ones that had been agreed upon. So, could he tell us when he is going to fulfill that undertaking so that he can be bound by this House and tell us the truth? He should find out from the local authorities how many hawkers they have settled. They have not settled them and have been treating them as enemies of the State. We want him to actually sit down with them and change their attitude and also tell us how many hawkers have been settled.

Mr. Speaker: Order, Mr. Mungatana! You have made your point! Mr. Deputy Prime Minister and Minister for Local Government, how long do you require to avail those statistics?

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Mr. Speaker, Sir, I would be happy to avail them in a week's time.

Mr. Speaker: In a week's time?

The Deputy Prime Minister and Minister for Local Government (Mr. Mudavadi): Yes, Mr. Speaker, Sir. But I also want to state one thing, just as a matter of clarity, it is true we recognize that hawkers are part of the informal sector. But we also have to bear in mind that we are also under pressure to make sure that the cities are functional so that they can support virtually everybody; those within and without the informal sector. So, I would also want to plead with hon. Members that as we address the issue of hawkers, we should create a situation where it is understood that we must co-exist. This is particularly important because we do not want on the other hand to give the impression that any city must just be invaded by hawkers at any particular spot that is undesignated and say that is the way to let things go.

Mr. Speaker: Order, Mr. Deputy Prime Minister and Minister for Local Government! I am sure you are equal to the task. If you have not learnt, many of your officers have been to Malaysia. I understand they visited Kuala Lumpur; do they not implement what they learn? We are allowing you two weeks to lay those statistics on the Table.

An hon. Member: One week!

Mr. Speaker: Fair enough! One week!

The rest of the Ministerial Statements are deferred. The one from the Ministry of Public Health and Sanitation has been deferred to Thursday at 2.30 p.m. and the one from the Minister for Youth Affairs and Sports to Thursday, 2.30 p.m. If for any reason the Minister will not be ready, she will indicate why and we will accommodate her.

There is a request for Ministerial Statement from Mr. Affey!

POINT OF ORDER

BOTCHED OPERATION ON MOHAMED ABBAS ALIOW AT MOYALE HOSPITAL

Mr. Affey: Thank you, Mr. Speaker, Sir. I rise to seek a Ministerial Statement from the Minister for Medical Services regarding circumstances that led to the predicament of a seven-year old Mohamed Abbas Aliow following a botched operation at the Moyale Hospital on 23rd May, 2009, as extensively covered by the local media. The hand of Master Mohamed was tied by a nurse to take a blood sample who forgot to untie the knot. His mother, Sadia, kept on noticing the band and assumed it was part of medication and did not bother to remove it. The boy's hand is rotting and may be amputated at the Embu Provincial Hospital. I would like the Minister to confirm if this is an incident of professional negligence on the part of the medical personnel, what action, if any, will be taken against the medical personnel. Could the Minister ensure that urgent medical attention is given to save the life of the boy and his hand? Could he also confirm that adequate compensation will be given to the victim and the parents?

Mr. Speaker: Madam Minister, when will that be available? Will you inform your counterpart?

The Minister for Public Health and Sanitation (Mrs. Mugo): Next week on Tuesday, Mr. Speaker, Sir. Is that okay?

Mr. Speaker: It appears to be very urgent by its nature. The Statement will be issued on Thursday, at 2.30 p.m. and it is a brief matter.

COMMUNICATION FROM THE CHAIR

BIPARTISAN FOOTBALL MATCH BETWEEN FRONT BENCH AND BACK BENCH

Mr. Speaker: Order, hon. Members! Before we proceed to the next Order, I have the following Communication to make which is largely by way of announcement:

It gives me great pleasure to announce on behalf of all of us that a football match between the Front Bench and the Back Bench has been organized by Bunge Sports Club

Executive Committee. The match will be played tomorrow, 24th June, 2009, at the Nyayo National Stadium at 6.30 p.m. after the rise of the House. The theme of the match is “a healthy mind for a healthy debate”. It is aimed at enhancing the necessary interaction among hon. Members of Parliament from diverse political backgrounds. I am informed that this match is dubbed “a bipartisan football match”. It will mark the start of a series of activities which will include a match between parliamentarians and prominent personalities from the Czech Republic which has been organized by the Czech Embassy. The match will be played at the Nyayo National Stadium on 2nd July, 2009, at 4.00 p.m. I, therefore, appeal to all hon. Members to turn out in large numbers to support and/or play for the respective teams. I wish you best of luck and may the best team win.

BILL

First Reading

THE NATIONAL YOUTH COUNCIL BILL

(Order for First Reading read – Read the First Time and ordered to be referred to the relevant Departmental Committee)

MOTION

ADOPTION OF 2004/2005 PAC REPORT

Dr. Khalwale: Mr. Speaker, Sir, I beg to move the following Motion:-

THAT, this House adopts the Report of the Public Accounts Committee on the Government of Kenya Accounts for the year 2004/2005 laid on the Table of the House on Wednesday, 10th June, 2009.

As I move this particular Motion, I wish to recognize on behalf of the hon. Members of the PAC and pursuant to the provisions of the Standing Order No.181(3) the pleasure and privilege that I have to present to this House the report and the recommendations thereon of the Committee on the 2004/2005 year of expenditure. The mandate of this Committee was as follows:-

The PAC then being a Sessional Committee was constituted at the commencement of the Second Session of the Tenth Parliament pursuant to the provisions of the then Standing Order No.147 which stated as follows: “There shall be a Select Committee to be designated the Public Accounts Committee for the examination of the accounts showing the appropriation of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit.”

It is clear from this mandate that the Committee oversees on behalf of this House public expenditure so as to ensure that the value for money voted by this House is realized. The Committee, therefore, relies on the Report of the Controller and Auditor-General.

This Committee, before I proceed, was comprised of the following hon. Members:-

Hon. (Dr). B. Khalwale, MP – Chairman
Hon. T. Mwadeghu, MP
Hon. G. Thuo, MP
Hon. D. Muoki, MP
Hon. Dr. J. Kones, MP
Hon. E. Mbau, MP
Hon. C. Onyancha, MP
Hon. A.M. Mweru, MP
Hon. B. Kaino, MP
Hon. G. Chachu, MP
Hon. D. Ngugi, MP

The Committee held several sittings while taking evidence. The evidence which was taken during the Session and this was done from 7th May, where we held 84 sittings at which almost all the Accounting Officers appointed by the Treasury appeared before the Committee to explain and respond to queries which had been raised by the Controller and Auditor-General in his Report with respect to the various Ministries and departments.

It is my pleasure to report that all the witnesses were subjected to a thorough examination by the Committee which critically analyzed both oral and written submissions. Although most witnesses provided the required information, I regret to inform that the Committee noted with grave concern that some Accounting Officers failed to avail required documents or information despite many reminders.

Mr. Speaker, Sir, during the process of taking evidence, we had some outstanding issues. The Committee could not take evidence from the Electoral Commission of Kenya (ECK) following its disbandment. There was no Accounting Officer in place to respond to issues that were raised by the Controller and Auditor-General (CAG). The Committee, therefore, recommends that the subsequent Public Accounts Committee (PAC) should consider that outstanding evidence.

Secondly, Mr. Speaker, Sir, during the Session, the Committee noted several issues of national concern that required special audit. Those included the privatization of Telkom (K) Ltd, the sale of Government shares in Safaricom Ltd., the sale of the Grand Regency Ltd. and the award of the contract to Thomas De La Rue for the printing of the Kenya currency. The Committee made a request to the CAG to undertake special audits on the privatization of Telkom (K) Ltd and on the sale of Government shares in Safaricom Ltd.

Mr. Speaker, Sir, I regret to inform the House that, in spite of that special request, to date, the reports for those special audits have not been received despite reminders from the Committee and promises by the CAG. That is very disturbing because the issue of Safaricom Ltd, assumed great prominence in this House and it led to the indictment of the Minister in charge of Finance. That goes a long way to show the poor system in which we receive our reports from the Office of the CAG. Under the law, the CAG audits the Executive and to give us those reports, as you know, he has to channel them through the Executive. It is no doubt that, that crucial audit query is finding it difficult to come to this House.

Mr. Speaker, Sir, I would like to comment on the workload that the Committee was faced with. It is worth noting that the Committee has, over the years, been bogged down by a backlog of annual audit reports. In an effort to tackle the backlog and deal

with the current audit reports, my Committee has been considering two annual reports in every Session. During the Session under review, the Committee concurrently considered the CAG's Report for the years 2004/2005 and 2005/2006. It is also my pleasure to inform the House that, having done those things concurrently, we have discovered that audit queries tend to repeat themselves and, therefore, it is going to save this House a lot of time when it will come to the next Motion because---

QUORUM

Mr. Mbadi: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it, Mr. Mbadi?

Mr. Mbadi: Mr. Speaker, Sir, I believe the Report of the PAC is very important and looking at the number of hon. Members present, I think we will be doing a lot of injustice to this Report to discuss it with the numbers that are present.

Thank you, Mr. Speaker, Sir.

Mr. Speaker: Is that so? Clerks-at-the-Table, ascertain that fact!

(The Clerks-at-the-Table conducted a headcount of hon. Members present)

Is it below quorum? There is no quorum. Ring the Division Bell!

(The Division Bell was rung)

Order, hon. Members! Order! We have the numbers now. The requisite quorum is in place. Please, hon. Members, try and stay on! I know that accounts are, sometimes, not very interesting. But they are important in respect of your oversight role.

Proceed, Dr. Khalwale!

Dr. Khalwale: Thank you, Mr. Speaker, Sir. I hope that hon. Members, especially Ministers, are going to make time to sit here because when you look at the Report of the CAG, it is very voluminous. It contains nothing but audit queries! Those audit queries are pointing at the efficiency of those Ministers. So, I am noting very carefully. Ministers who are not going to sit here will be the first to be called upstairs when we shall be dealing with Ministries which have a number of audit queries.

Mr. Speaker, Sir, I was saying that we have attempted to deal with the issue of the backlog. I want to thank the Joint Government Chief Whips for having retained virtually all the hon. Members of PAC in the new Committee. That is because those people have learned invaluable lessons during the past 12 months and I am, therefore, confident that the backlog will be cleared during the Third Session of the Tenth Parliament.

Mr. Speaker, Sir, allow me to thank Members of the Committee for their efforts, commitment and exemplary performance in ensuring the successful production of this Report. Let Kenyans not forget that PAC Members spend most of their precious time, very often, at the expense of their constituency time and work, in gathering evidence and making reports. We would like to, since we are all faced with an election in the year 2012, to appeal to Kenyans to note hon. Members of PAC and give them an un-opposed

ticket in the 2012 elections because they are doing double the work that other hon. Members do.

(Applause)

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, to arrive at credible evidence, we went out of our way to ensure that we inspected and went to sites that attracted audit queries. Where the Committee found contradictions between the information provided by an Accounting Officer and the CAG, the Committee undertook inspection tours that involved actual physical verification of projects in question in order to obtain first hand information on their status, and establish whether the Government, indeed, got value for its money.

Mr. Temporary Deputy Speaker, Sir, it is my pleasure to report to this House that my Committee carried out the following physical verifications. First, we visited the famous Nairobi bypasses; that is, the great Nairobi Northern Bypass and the Eastern Bypass. What we saw there is in those Reports and I hope hon. Members will have an opportunity to interrogate us on how we gathered that evidence, how we concluded and how we came up with the recommendations that we made.

Secondly, my Committee visited Malindi Law Courts in respect of the purchase and renovation of an old building. We could not gather enough courage to hold back our tears at how this country is raped when we visited those law courts. This is a situation whereby a makuti building standing on a quarter of an acre was sold to the Government for over Kshs27 million. It was then assumed to be converted into a court. More millions of shillings were pumped into the building, only for it to be demolished altogether and construction of a new building commenced. These are issues that the House must take very seriously because hon. Members of the previous PAC had spoken on them. Apparently, the Government never took any action.

Thirdly, we visited the Kenya Ferry Services (KFS) in respect of procurement of ferries. We also visited State House, Mombasa in relation to the funds that had been spent on its repair and improvement. We also visited a road that was being rehabilitated by a company associated with an hon. Member of this House. This is the Murang'a-Sagana-Karatina-Marua Road. We verified for ourselves, in the company of technocrats, the progress of that project that has taken unnecessarily too long.

Finally, we visited the Nyali Bridge and the Kilifi Road in Mombasa. The above inspections were undertaken in order for the Committee Members to ascertain for themselves that the evidence adduced was in tandem with the situation on the ground. The observations of the Committee on the projects visited are contained under the specific audit queries.

Mr. Temporary Deputy Speaker, Sir, all the recommendations contained in this Report were arrived at by a consensus and after exhaustive and constructive deliberations, taking cognizance of the fact that there is an adequate machinery within the

public service to implement these recommendations. Before I proceed, I would like to make a few general observations.

A summary of the Committee's observations and recommendations on some of the salient and critical queries raised in the Report of the Controller and Auditor-General are indicated here-below.

(1) On the issue of lack of adequate preparation, the Committee noted with concern that some Accounting Officers were not adequately prepared for the PAC meetings. The Committee also noted that on several occasions, Accounting Officers interfered with its tight sitting programme due to unnecessary postponements and lack of sufficient notices for the same. In some cases, their written submissions were received by the Controller and Auditor-General and the Committee at the beginning of sessions instead of the pre-requisite five days before appearance as requested by the Committee. On several occasions, the responses were very inadequate and unsatisfactory and not accompanied by supporting documents, thus delaying and making the work of the Committee very difficult indeed. These factors negatively impacted on the performance of my Committee.

The PAC, therefore, recommends that in future, such trends will not be tolerated or taken lightly and it may proceed to prepare its Report without the evidence of those Accounting Officers, who will subsequently be named. At this stage, I want to warn those Accounting Officers that my Committee is very unique. It has a Doctor of Mathematics and two Certified Public Accountants. We are, therefore, capable of perusing evidence and making recommendations in spite of them not appearing before us. We will take this matter very seriously. We want to be the first PAC that will be the reason why several Accounting Officers will not just be transferred, but be dismissed from service altogether.

(2) On lack of clear legal framework for disciplining Accounting Officers, the Committee heard that the Treasury appoints Accounting Officers and receivers of revenue, but the current laws do not provide a clear framework for disciplining errant appointees. The Committee, therefore, recommends that the Government should consider introducing a Bill in Parliament that will stipulate penalties and disciplinary actions to be taken against errant Accounting Officers. We would like the Deputy Prime Minister and Minister for Finance, and I hope he is listening, to know that this is an all very important recommendation--- If he will not bring an amendment Bill to this House, we will require him to declare his interest in terms of protection of cartels that exist in Government systems.

(3) The issue of absence of documents and delay in availing them for audit verification also arose. The Committee expressed grave concern that over the years, several Accounting Officers continued to entertain inordinate delays in availing documents to the Controller and Auditor-General for verification at the time of audit. The Committee also deplored the absence of documents at the time of audit which could conceal possible fraud. The habit amounts to breach of law and Government financial regulations. The Committee strongly recommends that all Accounting Officers who fail to avail documents for audit verification at the time of audit without good cause should be barred from holding public office.

(4) On pending bills, as has been the case in the past, bills which should have been paid during the year under review were carried forward to the subsequent financial year. The Committee noted with concern that Ministries failed to sufficiently budget for

utilities and other recurrent expenditures. The Committee deplored the manner in which payments, both for development and recurrent expenditures are delayed, raising fears of possible collusion between officers responsible for the contractors/service providers.

It was noted that where bills were disputed, they were referred to the Pending Bills Closing Committee. My Committee was concerned that the Pending Bills Closing Committee established in 2005, four years ago, has not finalised its work and come up with a report after such a long time. Therefore, in tradition and keeping with the bad manners of Kenyan public servants, they continue to draw from public funds without cause and nothing to show for it.

The Committee strongly recommends that Ministries should operate within their voted provisions. Where bills were disputed and are questionable, the Director of Kenya Anti-Corruption Commission should investigate the officers who authorised the claim documents and completion certificates of those contracts and take appropriate action. The Pending Bills Closing Committee should appear before the subsequent PAC in order to account for its work. The current Pending Bills Closing Committee will, therefore, appear before our Committee within the next two months so as to account for the public funds that they have been drawing.

Mr. Temporary Deputy Speaker, Sir, the fifth observation was the issue of under-expenditure and under-collection of Appropriation-in-Aid (A-in-A). The total A-in-A collected during the year under review was Kshs36,496,921,502 against estimated receipts of Kshs49,045,711,907, resulting in a deficit of Kshs12,548,790,405, which translates to approximately 26 per cent of the estimated sum.

The Committee was also concerned that the failure by the Ministry to fulfil donor conditions could be as a result of negligence or inefficiency by officers responsible for overseeing the projects' implementation. The Committee noted that the Government, through the Ministry of Finance, and in conjunction with all development partners, had prepared, finalised and submitted for Cabinet approval, the Kenya External Policy Document. The policy document was aimed at streamlining the whole process of managing the official development assistance ordinarily called "ODA". The Committee recommends that the Government should ensure that shortcomings noted in the under-expenditure and under-collections of A-in-A are resolved.

Mr. Temporary Deputy Speaker, Sir, the other outstanding issue that we observed is that of imprests. This Committee noted that queries on outstanding imprests continue to feature in almost all Ministries. The Committee further noted with concern that officers are transferred to new stations before clearing outstanding imprests held by them. The Committee further abhorred the failure by Accounting Officers to recover funds from imprest holders 48 hours after conclusion of business, for which the imprest was taken, as required.

The Committee, as a result, recommends that the Permanent Secretary, Treasury, should ensure that Accounting Officers abide by financial regulations and also abide by Part B of their letters of appointment, which requires them to surrender the imprests within 48 hours after return to duty station. In the event of the holder failing to account or surrender the imprest, the amount shall become a debt, in our recommendations, owed to the Government by the officer, and that debt shall attract interest at prescribed rates.

Mr. Temporary Deputy Speaker, Sir, we further recommend that Accounting Officers should recover the amount in full, and interest thereof, from the salary of the

defaulting officer. Furthermore, officers who move to new stations should not be cleared before surrender of all outstanding imprests and other amounts owed to the Government.

We also noted matters that were referred to the Kenya Anti-Corruption Commission (KACC). In the previous Reports of this Committee, various issues and recommendations had been referred to the KACC for action. The Committee recommends that the Director-General, KACC, should ensure that the issues noted are speedily dealt with. The Members of this Committee are prepared, when the renewal, or otherwise, of the tenure of the current Director-General, is brought to this House, to seriously contest it, because we could not see any tangible evidence action that has been taken on the various recommendations that previous Public Accounts Committees (PACs) have been making to his office.

Mr. Temporary Deputy Speaker, Sir, we also observed delays in preparing Treasury memoranda. The Committee noted with concern, the delay in implementation of the Committee's recommendations. The Treasury memoranda for the following Reports, which were adopted by this House, have not been submitted to Parliament by the Ministry of Finance. Imagine that the Report for as way back as the year 1998/99 was adopted in the year 2006 but to date, there is no memorandum. For the Report of 1999/2000, which was adopted in April, 2007, there is no memorandum.

For the Report of 2000/2001, which was adopted by the House in April, 2008, there is no memorandum. For the Report of 2001/2002, which was adopted by the House in April, 2008, there is no memorandum. For the Reports of 2002/2003 and 2003/2004, there is no memorandum. The Committee abhors the manner in which the Ministry of Finance fails to adhere to Section 27 of the Financial Regulation and Procedures, which stipulates as follows:

“Upon adoption of a Committee Report in a Parliamentary Session, a Treasury memorandum shall be submitted in the subsequent Session.”

Mr. Temporary Deputy Speaker, Sir, my Committee, therefore, recommends strongly as follows:-

(a) an updated Treasury memorandum should be submitted to the House without any further delay; and,

(b) prior to giving evidence, each Accounting Officer should brief the Committee on the actions taken to implement the recommendations of the previous Reports.

The other general observation that we noted was the issue of inadequate staffing in Accounts Departments of various Ministries. We noted that in almost all Ministries and Departments, the number of professional accountants was not adequate to enable them to perform efficiently and effectively. As a result, the situation contributed to poor book-keeping and delayed accounts, amongst other shortcomings. This Committee, therefore, recommends that the Government should not only provide adequate staffing of professional accountants, but should also build capacity within the existing staff to enable them cope with the work load.

Mr. Temporary Deputy Speaker, Sir, I wish to end my general observations there, and appraise the House on key issues identified, on a Ministry by Ministry basis. I want to start with the Ministry of Finance.

We came across excluded expenditure, namely Purchase of Bima House. For the sake of hon. Members who may want to make reference, it is found in Paragraphs 36-37. The Committee noted that the sale value of the Bima House was very low. We

recommend that investigations should be undertaken to ascertain its proper value and whether the sale took into account the principle of getting value for money.

I would like hon. Members to remember Paragraphs 36-37, because when we perused the tender documents, it was a big shame that the company that won the tender made the application for that tender in personal handwriting. It was shocking to us. Although we are not handwriting experts, we were surprised to see that the handwriting of the company that won the bid was the same handwriting that prepared the applications for the second and third bids. Hon. Members keep their ears on the ground. It is very disturbing to note that some influential members of the Kenyan society, some of whom are politicians, were actually beneficiaries of this sale. This is a shameful thing that makes it difficult for us to develop this country.

Mr. Temporary Deputy Speaker, Sir, we also noted that the Ministry of Finance issued an irregular loan to the National Bank of Kenya (NBK). This is captured under Paragraphs 70-71. We noted that loan defaulters at the NBK comprised of prominent personalities, who were once commonly known as “Members of the List of Shame” that was tabled in this House by Mr. Musikari Kombo.

Mr. Temporary Deputy Speaker, Sir, I believe that, by then, you were an Assistant Minister. So, you recall that “List of Shame”. These same prominent personalities are the same ones who had defaulted on repayment of loans by the NBK, making it almost impossible for the Chief Executive Officer of NBK to run the bank.

In receiving this evidence, our Committee was extremely cautious because the CEO of National Bank of Kenya is currently doing a good job. He is almost turning the bank around. We were worried that if we had not handled this matter with due diligence, we could have invited an unnecessary run on the bank; not because the CEO was not doing a good job, but mainly because these prominent personalities are there. Some of them, are practising politicians. They walk around the length and breadth of the Republic of Kenya and nobody raises a question. I wish I was a prominent personality in my life. Would I not also be enjoying these goodies? I thank God that He never created a wooden heart in my chest to appreciate this kind of nonsense.

Mr. Temporary Deputy Speaker, Sir, these people deliberately defaulted repaying their loans without regard to the future of the bank. The Committee abhorred the manner in which the NBK failed to follow up the defaulters and recommends that the Accounting Officer should liaise with the Director of the Kenya Anti-Corruption Commission (KACC) to establish the loss of public funds with a view to holding the personalities involved to account. They should be held to the thread of prosecution and declaring them bankrupt if, at the moment, any of them would be found unable to repay those loans.

Our Committee also recommends that the list of defaulters be published in the print and electronic media for public knowledge and consumption. This was strongly recommended by one Member of my Committee who is a reverend. Hon. Pastor Daniel Muoki believes that shame can achieve miracles. We all agreed then that we want to move this mountain by printing their names in the electronic media and the print media.

Mr. Temporary Deputy Speaker, Sir, we also identified a few issues in the Office of the President. One is the old district cash fund that will be found under paragraphs 203 to 264. We deplored the manner in which the district treasuries were mismanaged by officers entrusted to manage them. The Committee recommends that the Permanent Secretary, Ministry of Finance should liaise with the Director of the KACC in order to

investigate and establish the amount of Government funds lost due to the mismanagement of the District Treasuries with a view to holding those responsible and prosecuting them in the cases where they are involved in the loss.

We also noted significant issues under the Directorate of Personnel Management. We found irregular re-allocation of funds under paragraph 272. The Committee while noting with concern the irregular manner in which the Ministry failed to seek Treasury's authority prior to re-allocation of these funds, recommends that the Accounting Officer should always ensure that officers responsible are reprimanded and or disciplined for contravention of the financial regulations and the law.

Mr. Temporary Deputy Speaker, Sir, under the Ministry of Foreign Affairs, we noted that in the past, the Government's expenditure on operational activities for foreign missions abroad had been high and unsustainable. Our Committee noted with concern the high costs incurred by the Ministry of Foreign Affairs, especially on education, overstaffing and costs of rent in Kenyan missions abroad.

The issue of education of dependants of members of staff in Kenyan missions abroad, is an issue that must be addressed. In a few instances, we even had some members of staff who had dependants who are learning in private academies "in this country" when in reality, they are learning in private schools. Funds were channeled to those particular private institutions and shared by these members of staff when in real sense, those children did not actually study in those schools. They study in either cheaper academies or public schools. This is a matter that requires thorough scrutiny by the Accounting Officer, a failing which the KACC and the Ministry of Foreign Affairs--- The Committee strongly recommends that the Government should urgently review and address this particular matter.

Mr. Temporary Deputy Speaker, Sir, at the Office of the Vice-President and Minister for Home Affairs, we found the following key issues: Namely, the construction to bitumen standards for the Garissa-Hola-Garsen-Malindi Road. This was found under paragraph 294 to 300. Our Committee noted with grave concern that poor design work may have contributed to the variations and delays in completion. The Committee recommends that officers who were involved in those designs should be disciplined for professional negligence.

The Committee also reiterates its earlier recommendations under paragraphs 308 to 311 of the 2002/2003 Report of the PAC that Accounting Officers should ensure that the road is completed without further delay. The Committee also recommends that until the National Youth Service proves that it has adequate capacity to the work, the road should be done by the Ministry of Roads.

Mr. Temporary Deputy Speaker, Sir, under the Ministry of Planning National Development and Vision 2030, we found the following key issues, namely: Absence of documents and delay in availing them for audit verification as earlier explained. I want to note here that this Ministry is particularly notorious for this. I am proud of a key Member in my Committee, one hon. David Ngugi. The guy has got a knack for details. He was able to go back in the old PAC reports and establish that these people are very notorious. My Committee---

The Temporary Deputy Speaker (Mr. Ethuro): Order, Dr. Khalwale. There are no "guys" in your Committee.

Dr. Khalwale: Mr. Temporary Deputy Speaker, Sir, it was a slip of the tongue. As they say in most African vernaculars, the tongue is an organ without a bone. I wish to apologise to the hon. Member if I called him a “guy”. He is actually a very hon. Member and a man with a proven CV, having come from the insurance background with flying colours for performance. My due respect.

The Committee noted with concern the inordinate delay in availing documents to auditors and recommends that officers who fail to avail documents at the time of audit should be disciplined.

Mr. Temporary Deputy Speaker, Sir, under the Department of Defence, we found the key issue of compensation and *ex-gratia* payments as contained under paragraph 341 on page 94. The Committee heard that the interest started accruing from the time the decree was issued by the court to the time communication was received from the Attorney-General’s office to enable seek authority from the Treasury for final payment. The Committee abhorred the manner in which the Attorney-General failed to notify the Department in time, leading to unnecessary accrued interest which would have otherwise been avoided.

The Committee, therefore, recommends that the Accounting Officer and the Attorney-General should be held responsible for loss incurred by the Government where negligence shall be established. We found time and quantified how much the Government has lost by way of either no legal advice or delayed legal advice from the Attorney-General.

There are many rulings that are made in court in respect of compensation and *ex-gratia* payment but the Attorney-General does not inform the Treasury. In the process, we end up with the Government incurring a lot of losses.

Mr. Temporary Deputy Speaker, Sir, under the same Ministry, in the Department of Defence, we found the issue of loss of cash at Nyali Barracks, Mombasa. One would have thought that senior officers in the army are leaders in the example of discipline. However, when you see how cash was lost at the Nyali Barracks, you wonder what they mean by the disciplined forces. It left us wondering whether they are more disciplined than our primary school scouts; the little boys and girl guides, who would not dare do these kinds of things.

My Committee noted with grave concern that payment of Kshs5 million by the Kenya Commercial Bank (KCB) was made without authentic authorization, contrary to banking regulations, suggesting insider dealing or collusion between the bank, teller and officer involved. The Committee recommends that the Accounting Officer, in liaison with the Director, Kenya Anti-Corruption Commission (KACC) should follow up the recovery of those amounts of Kshs5 million from the bank in question for failure to verify authorization and abetting crime. The Committee also recommends that the Accounting Officer should liaise with the Attorney-General to apprehend the culprits.

Mr. Temporary Deputy Speaker, Sir, under the Ministry of Regional Development Authorities, we found the following key issues: Excess vote amounting to Kshs542, 410,134, under Paragraph 344. The Committee recommends that thorough investigations should be undertaken by the Controller and Auditor-General and the Treasury to ascertain the circumstances that led to the payment of Kshs542,410,134 without Parliament’s authority, with a view to holding those responsible and disciplining the officers who breached the law.

We also found the key issue of irregular retention of unspent surplus payment to the Exchequer, under Paragraph 347. The Committee noted the continuous behaviour of rushing to utilize unspent funds in the months preceding the closure of a financial year under the pretext of trying to avoid surrender of those funds to the Exchequer, an avenue that is likely to be abused and used to flout financial regulations. The Committee deplored the blatant abuse of law by the Ministry officials through failure to surrender unspent funds and preparing payments for services not rendered or goods that were not supplied in the first place.

Mr. Temporary Deputy Speaker, Sir, under the Ministry of Agriculture, we found two glaring key issues. One is the issue of outstanding debts. The Agricultural Mechanization Services, Narok District that is the hire of tractors to organizations and individuals, under Paragraph 362. The Committee was appalled at the existence of the debts on prominent personalities and the lack of serious efforts of recovery for a long period. This issue of personalities, we might as well read as politicians. When you look at who these personalities are, they are either practicing politicians or people who graced the political landscape of this country and the ones who abuse their offices and lead to the loss of these colossal sums of money.

The Committee recommends that the Accounting Officer should ensure that proper documents should be signed before contracts are given. The Committee also recommends that the Accounting Officer should ensure that the outstanding debt is fully recovered without further delay.

Mr. Temporary Deputy Speaker, Sir, there is the key issue of renovation of fabricated offices and toilets, under Paragraph 364. Our Committee deplored the manner in which the contract agreement could not sufficiently protect public interest by providing for sanctions and penalties to the contractor in case of poor workmanship. The Committee, therefore, recommends that the Accounting Officer should ensure that further funds are paid to the contractor. The Committee also recommends that the Accounting Officer should, in future, ensure that when designing Government contracts, protection of public interest should be given as a paramount priority.

My Committee further recommends that during the tendering process, the Accounting Officer should consider the requirement for a performance bond to safeguard public interest.

Under the Ministry of Health, we found the following key issue; namely, under-expenditure and under-collection of Appropriations-in-Aid. This was under Paragraph 380. The Ministry failed to spend approximately 61 per cent of its vote. They failed to collect 87 per cent of the estimated receipts. How such an Accounting Officer can still be in office can only be found in two instances. It can be found either in fairy tales or in the Republic of Kenya. The Committee could not rule out that the absence of proper planning and utilization of resources by the Ministry was due to the inefficiency, incompetence or lack of good management.

The Committee recommends that the Accounting Officer should always ensure that only funds for donor-funded projects, whose formalities are certain to be finalized are factored in the Budget so that other projects are not denied services/goods due to non-use of funds.

Two, the Accounting Officer, in consultation with the Treasury, should put in place strict measures to ensure that revenue estimates are realistic.

Three, the Accounting Officers should only factor in the Budget donor-funded projects in which the respective donors have made serious commitment.

Finally, the Accounting Officers should ensure that projects are prioritized in order to be in line with the Government budgetary plans and donor agreements where laxity, negligence and incompetence by officers is established to have caused under-expenditures or under-collections, such officers should be severely disciplined.

Mr. Temporary Deputy Speaker, Sir, this is not a laughing matter because our country is currently gripped with an outbreak of cholera. How many in this House have made an effort to treat a victim of cholera? It only costs Kshs170. It is very cheap! But because of this kind of behaviour in the Ministry where funds are not collected or utilized, there is not enough money to have Kshs170 at the ready for the MOH in Turkana South District to treat people who are faced with this challenge. It is a big shame!

Also under this Ministry of Health, we found serious financial irregularities under the cost-sharing fund. Our Committee noted that there was either weak or lack of proper accounting records and internal controls, leading to mismanagement of cost-sharing funds in various hospitals countrywide.

Our Committee recommends the following: The Accounting Officer should be held responsible for lack of proper accounting records and internal controls in the health facilities.

Two, the officers responsible for the mismanagement should be surcharged, owing to the revenue that has not been accounted for. Three, the Attorney-General should undertake to pursue the culprits with a view to recovering the outstanding amounts.

Finally, the Accounting Officer should liaise with other stakeholders and review the cost-sharing policies with a view to streamlining its operations and sealing any existing loopholes. It must not be lost on Members that the medical superintendent at the cost sharing facility, more often than not, is usually the only doctor in that hospital. So, how do you expect him to see patients, go to labour ward, and go to theatre, carry out operations and reconcile cost-sharing funds? This is something which cannot work. It was recommended by none, other than Mr. Thomas Mwadeghu who comes from one of the most abused district hospitals, Wundanyi District Hospital, who is an accountant by profession, that this system should be re-looked at, so that if cost-sharing cannot work, we should not punish poor parents who end up enriching officers who, in the first place, did not see any seeds from which they wish to reap.

We identified the following key issues under the Ministry of Local Government. The Deputy Prime Minister and Minister for Local Government was here but he has gone away. However, we are cleverer than that. This House has been clever by creating the Local Authorities and Funds Committee. So, the scrutiny will be on the Deputy Prime Minister and Minister of Local Government who has refused to be here. I am hoping that hon. Mwadeghu, who was a Member of our Committee and felt the pain that we went through as we fought for this watchdog committee, will be allowed by other Members of that Committee to become the Chair of that Committee so that he calls the Deputy Prime Minister and Minister for Local Government as the first witness to account for this kind of rot.

We came across the issue of failure to utilize LATF funds. This is on paragraphs 430 to 431. If we cannot address how LATF funds are being used in this country, then county councils will never visit the general populace with any development.

Our Committee heard that under-expenditure of LATF funds resulted from non-compliances with LATF disbursement conditionalities by many local authorities. The Committee noted with concern that the incompetence of chief officers responsible for meeting the conditionalities contributed to the inefficiencies observed in those local authorities. These chief officers enjoy special protection from politicians and from the big hawks of political parties. When these people are being hired or being promoted to become chief officers, it is hardly on merit but because of who one knows. In the process, we end up having this kind of stuff. Our Committee noted that and recommends that local authorities should not be given additional funds, unless they account for the previous funds. I am praying that members of the Local Authorities Funds Committee will add their voice to this and work with quick speed so that we are current with them. We should deal with any of them who has breached this recommendation as they used to say it in primary school, there and then.

The Committee also reiterates its earlier recommendation under Paragraph 479 of 2002/2003 Public Accounts Report that Accounting Officers should ensure that the concerned chief officers of local authorities are held responsible for failure to meet conditionalities as a result of their incompetence, negligence and inefficiencies.

We also identified key issues under the Ministry of Public Works and Ministry of Roads. The issue of rehabilitation and construction of various roads in the country, the Committee noted with concern that inadequate feasibility study and improper designs may have contributed to the unnecessary times for extensions that are asked for by contractors. The Committee deplored the manner in which contracts are delayed without completing them with the original stipulated periods, necessitating variations and additional costs raising fears of possible collisions between the officers responsible and the contractor and leading to misappropriation.

How much time am I remaining with? I am about to finish.

Due to incompetence and high rates of corruption, ideally this Report should have been moved over a period of six months. However, we have condensed it because of the Standing Orders and I will make sure that I finish quickly.

Under the Ministry of Roads and the Ministry of Public Works, we found the key issue of purchase and delivery of paint and other building materials to provincial and District Works Officers under paragraphs 450 to 455 where building materials worth Kshs17.3 million went to waste due to lack of storage space, poor quality of paint and delivery of paint beyond the required quantities. This is an issue where an Accounting Officer deliberately decided to purchase more paint than they required.

The Temporary Deputy Speaker (Mr. Ethuro): Time up, Dr. Khalwale!

Dr. Khalwale: Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to move. I seek for your indulgence to apologize to our sister Committee, Public Investments Committee, because one of today's news papers has misquoted us saying that they are not up to the task on the issue of petroleum at the Kenya Pipeline.

I beg to move and request hon. Mwachugu to second the Motion.

Mr. Mwachugu: Thank you, Mr. Temporary Deputy Speaker, Sir. I wish to second the Report of the Public Accounts Committee. I wish to touch on a few highlights,

so that I can also give my colleagues an opportunity to add weight to it. Of concern, has been the issue that was raised about the Treasury where the Accounting Officer can appoint officers but when it comes to disciplining them, it becomes an issue. We have come across various areas where Accounting Officers in various Ministries have failed totally to account for funds and yet the hands of the PS, Treasury, are tied. It is our view and recommendation that the Government should come up with a Bill requiring or giving Accounting Officer, Treasury, powers to make sure those officers are not only reprimanded but also dealt with accordingly.

Mr. Temporary Deputy Speaker, Sir, the evidence adduced during our interviews with the officers who appeared before the Committee raised a few concerns with regard to the hiring of accountants at the Treasury and other Ministries. It became evident that we have very few qualified accountants in various Ministries. As such, we do not get competent reports and delivery of services. We have shoddy jobs being done because the officers do not adhere to the rules and regulations stipulated in various Acts.

The Committee recommends that the Permanent Secretary, Treasury, should be empowered to go out in the market and hire competent and qualified accountants. For that matter, he should remunerate them in line with what the market offers. Otherwise, if this trend continues, we will have a situation where most of the accountants will be of mediocre calibre. They will not deliver and, hence, there will be no book keeping in various Ministries. We will also experience situations where purchases are done shoddily. This will result to wastage. The Government should heed to our request.

Mr. Temporary Deputy Speaker, Sir, we visited various areas to inspect roads. We visited the Northern and Eastern by-passes in Nairobi. We also visited Malindi Law Courts, the Kenya Ferry Services in Mombasa, Murang'a-Sagana-Karatina Road and the Nyalı Bridge. I just want to comment on these two.

Regarding the Northern by-pass here in Nairobi, we had various residents who had constructed high-rise buildings on the land meant for the by-pass, and yet they had been given prior warning and had moved out. However, because of the culture of impunity in this country, they went back and put up very expensive houses. The question arises; "Why would Kenyans behave like this?" It is our considered opinion and recommendation that the Ministry of Public Works should move with bulldozers and make sure that those buildings are brought down, so that the construction of the by-pass can go on. We cannot tolerate this or continue having roads planned for the development of this country being obstructed by a few selfish individuals. It is the recommendation of the committee that those house should be brought down.

On Malindi Law Courts, as enumerated by our able Chairman, it was a shame to see the Ministry of Lands valuers valuing a property for almost Kshs27 millions, the law Courts buys it and then the same property is condemned; that, it is not good for public use. The building was demolished and the entire Kshs27 million went down the drain. A new budget was drawn to put up a new building. If you go to Malindi today, you will see a fantastic building for the law courts while the entire Kshs27 million was reduced to ashes. What a shame? For how long will we continue with this impunity? I believe that the officer involved was transferred from Malindi and he is enjoying himself wherever he is. It is believed that the seller must have colluded with the officers concerned and made away with the entire amount of Kshs27 million, and yet nothing has been done. It is our

considered opinion that the culture of impunity in this country has got to stop, if this country has to make any development at all.

Mr. Temporary Deputy Speaker, Sir, we visited the road from Garissa to Hola which has been assigned to the National Youth Service (NYS). We are wondering what became of the NYS. Do they have the capacity and knowledge to construct such a big road? You will find that a lot of money has been spent on the same road, but it is not complete. You will find that a contract has been signed detailing the specifications, but because of incapacity of the contractor, the same will not be done on time. As a result, the Ministry, citizens and the entire country lose. It is our sincere hope that the NYS will be stopped completely from undertaking any major road in this country, unless it is equipped, its officers trained and have the capacity to undertake such a road.

If you move round the country, you will note that various roads have been done. In some cases, the contractors have been awarded contracts to do the roads, but they stop midstream and get away with it. Although many court cases concerning these contractors are pending, they are still awarded other contracts. We have the Musau-Wundanyi-Werugha-Mugange-Bura Road in Taita which was awarded to a contractor who did not do it satisfactorily. The engineer in charge signed the certificate and the contractor was paid. When a further inspection was done, the road was found to be substandard and the contractor was ordered to re-do it. But the big question is: "What happened to the engineer who signed the certificate in the first instance? He was merely transferred to another station. The contractor was awarded another contract in Nyeri and they shared the loot. For how long will this continue in this country? It is high time this type of corruption was stopped. Unless Parliament puts its foot down, these officers and errant contractors will continue behaving the way they are doing. It is time the entire corrupt officers in the Government were brought to book.

Mr. Temporary Deputy Speaker, Sir, given the fact that my colleagues would like to contribute to this Motion, let me touch on two other aspects. The issue of officers getting imprests which they did not account for featured prominently in all the Ministries we covered. When it was demanded, the officers colluded with either the personnel or chief officers, and the officer concerned was transferred. During our evidence, we found out that the Accounting Officers did not even bother to find out where the officer holding the imprests went. When did Ministries become banks to keep on loaning officers money so that it could be recovered or deducted from their salaries for a period of 36 months? We may need to change the Banking Act to include Ministries. If that is what the Ministries want to do, let them do it while following the law. At the moment, our Committee abhorred the manner in which the Accounting Officers let scot-free all the imprest holders we found in all the Ministries.

Mr. Temporary Deputy Speaker, Sir, the issue of the Local Authorities Transfer Fund (LATF) has been touched by the Chairman. The LATF ought to be managed by the local authorities. In a number of cases, the officers concerned could not meet the set conditions and yet they were chief officers who were charged with the responsibility of ensuring that the LATF money which has been disbursed or ought to be disbursed should be spent for the benefit of the *wananchi*. As you have heard, almost 61 per cent of that money could not be availed due to laxity. This is the case and yet the chief officers continue drawing their fat salaries. It is high time such impunity was stopped or brought to an end.

With regard to the ferries in Mombasa, you will be surprised to learn that the funds which were allocated to buy ferries were put in an escrow account where they attracted interest. This is the case despite no officer being held accountable for the interest. Where did that interest go? Who ate the money? Nothing has been done. All is hushed and the funds just disappear.

In the meantime, ferries at Likoni keep on breaking down from time to time; yet, funds were allocated for the purchase of new ferries. For how long will we continue with this? I tend to think that time has come for the country to put its feet down and ensure that all officers who are charged with the responsibilities of manning public funds, do their job as they are mandated.

With those few remarks, I beg to Second.

(Question proposed)

Mr. Muthama: Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to support the adoption of this PAC Report that was ably presented by the Chairman, Dr. Khalwale.

I want to start by saying that I represent Kangundo Constituency which was represented by one of the very first members of this House, the late Paul Ngei. But 46 years down the line, we, as elected Members, stand here and keep on saying: "It is the high time we did this and that". The late Ngei said the same and he went. Other MPs came and said the same. They left. I am here repeating the same words. For how long do we continue singing the same song? You are very much aware that we, as Members of Parliament, are not qualified investigators. But we can get into an institution and get information that show very clearly that funds were misappropriated. In this country, we pay civil servants. For how long are we going to sing "it is the high time we did this and that"? We are talking about coming up with the new Constitution that will safeguard the interest of Kenyans. We have today, laws of the land in place; why are they not being obeyed? How come we have such a report brought by Members of Parliament who have been in this House for only one and half years? We have civil servants who we pay to do the job that is being done by us? I feel like shedding tears because I do not see a step ahead of this report. It cost poor Kenyans money to collect this information which is here now. Reports are being brought here. Before I came to this House, there were reports of similar nature, but no action has been taken against those people who misappropriated these funds.

Mr. Temporary Deputy Speaker, Sir, despite all those reports having been adopted, none of the culprits have been, at any given time, prosecuted. Kenyans are in a state of confusion. So, we should leave this House and go home and tell those who elected us that we have no capacity to take these issues forward and make the Government take action. The reason why I am saying this, is because there are many reports that have been given to the Government and if there is no implementation, then it is just a waste of time. We are wasting public funds through allowances. We go for trips around the country to get tangible information but it goes nowhere.

Mr. Temporary Deputy Speaker, Sir, obedience of the law is a must and that is where we must start from. From now onwards, as hon. Members, if we have a burning Report like this one, we should paralyze the operations of the House and say that nothing

is going to take place until action is taken. That is the only power we have and it is the one that we can use. If we have to go for trips and write reports, bring them here and it goes nowhere, then we have no business to be in this House.

With those few remarks, I beg to support.

Mr. C. Onyancha: Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion. I wish to note with concern that there is no single Minister in the House and hardly any Assistant Minister.

The Assistant Minister for Co-operatives Development and Marketing (Mrs. Kilimo): I am here, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Ethuro): Order, Mrs. Kilimo!

Mr. C. Onyancha: Mr. Temporary Deputy Speaker, Sir, I said “hardly”. This is the most important day after Budget Day. This is the day we expect the Deputy Prime Minister and Minister for Finance, his Assistant Minister and the whole Government to be here to listen to their sins. Unfortunately, they are just people of impunity. That is why we are seeing this. I think it is the first time in the history of this country that you see two hon. Members seated on the Government side. It is a shame. It is time that hon. Members highlighted that problem.

Mr. Temporary Deputy Speaker, Sir, let me contribute to the Report of this Committee because it is the most important oversight Committee of the House. It has a very good job but unfortunately, as usual, its dedication and Report will not be taken seriously. I am happy that we now have an Implementation Committee where many of us are Members. We are going to make certain people cry for their impunity. I am sure that Members will back us up to ensure that the Government starts operating responsibly and following the law. The law requires that audits are complete by September of every year but we are five years behind. Those officers who are the perpetrators of these crimes are not in service any more. Others have died or moved on. Unless we bring these reports up-to-date, there is no way we are going to correct these mistakes.

Mr. Temporary Deputy Speaker, Sir, it is crucial to prepare the accounts of the Government on time. I believe that this House has the capacity to force that action to be taken, especially if it was to take our recommendations seriously about staffing as well as about impressing a sense of responsibility on the Accounting Officers concerned. It is a shame that of all the reports we have looked at and previous Committees since Independence, all of them have been qualified. Qualified is the term used by accountants to mean that they have been found wanting. There is not a single year when the Public Accounts Committee (PAC) has found that a single Ministry has prepared its accounts well and in a timely manner. In the private sector, if a report is qualified even once, it is not accepted for tax assessment. The following year, the officers are dismissed. I hope that the Implementation and Compliance Committee will be taking such action in the near future.

Let me touch on the Office of the Controller and Auditor-General. I believe they have done a good job but part of the reason why we have had this problem is that since Independence, there is not a single qualified accountant who has held that office and yet the law provides under other legislation like the Companies Act, that you cannot sign an audit report unless you are a qualified accountant. Fortunately, the man who has just taken over now in an acting capacity is one member of the Institute of Certified Public Accountants of Kenya (ICPAK). I am talking about the ICPAK which performs

periodically, quality assurance audits on practising firms in the country; private practising firms like KPMG, PriceWaterHouseCoopers and the rest but it does not carry out those quality assurance audits in the Controller and Auditor-General's Office. Further, the Acts recently legislated under which that office operates allows ICPAK to be a director of that board as well as the Chairman of the PAC. I believe this is an issue which should be looked into so that the quality of audit can be improved.

The other point of concern that we noted and that concerns me a lot, is that the Office of the Controller and Auditor-General audits the Government mostly through the Ministry of Finance. It is shocking then to find out that the Ministry of Finance, through the Government internal auditor is also the one which audits the Office of the Controller and Auditor-General. They audit each other. We would recommend that the Office of the Controller and Auditor-General, through ICPAK, is audited by independent auditors so as to have full independence from the Ministry of Finance. Further, we have so far, only considered forensic audits. There has not been value for money audit. That is an issue into which we should be moving now because we need to determine that the money that we spend, the money that the taxpayer spends, actually does the work for which it is meant. There is no need for us to have forensic audits which are ten years old and the projects which they went to construct are nowhere to be seen. They are white elephants or they cannot be quantified properly.

Mr. Temporary Deputy Speaker, Sir, let me just repeat one issue about appropriations-in-aid that was touched on earlier. We have a problem with absorption capacity with the Government and more so, with some Ministries. As you heard the Ministry of Health's absorption capacity was only 64 per cent. That is really a shame. Most of these under-collections of Appropriations-in-Aid arise because the Government does not have its officers who sit on time to provide counterpart funds for the donors to provide the balance. I would strongly urge that these monies which are lost because of certain inaction by the Government be received by forcing the relevant officers in the Government to ensure that they sit on time, deliberate and ensure that Government counterpart funds are availed.

With those few remarks, I beg to support.

Mr. Ngugi: Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support the adoption of this Report. But as I do so, let me thank our Chairman, Dr. Khalwale, for chairing the Committee so well for the last 15 months or so. I also want to thank hon. Members of the Committee, which I also serve because, during the period that we worked, you could not differentiate which hon. Members came from what party. We all worked as one Committee and really gave our time.

Mr. Temporary Deputy Speaker, Sir, I do not know why Members like going for the chairmanship of such a Committee because the amount of time I have seen Dr. Khalwale spending on the Committee, I fear for his parliamentary seat come 2012!

Having said that, Mr. Temporary Deputy Speaker, Sir, in a nutshell, what we have found in our investigations is a lot of wastage, inefficiency, corruption, delayed projects and, as a result, the Government and the taxpayers have ended up losing a lot of money. That money could have constructed more roads, hospitals, schools and provide water and dams in this country. That is why we are saying that this honourable House should ensure that the Government moves to implement this Report in order to curb all the corruption that we have unearthed. Fortunately, this House has moved a step in that direction and

now, we have an Implementation Committee. We hope the Implementation Committee will have “teeth”. Otherwise, if it will be just like the other Committees of the House, then there is no much hope for this country.

Mr. Temporary Deputy Speaker, Sir, there is need for discipline in Government Ministries. There is also need to discipline errant accounting officers who cause those losses. For example, millions of shillings, as you have heard, have been lost through imprests, advances, collusions and yet, nothing has been done to the offending members! We need a Government that is disciplined and that can discipline its errant officers so as to save for this country, the much needed funds.

Mr. Temporary Deputy Speaker, Sir, almost at the end of our Session, we met the “Big Five”. That is the Attorney-General, Permanent Secretary, Secretary to the Cabinet and Head of the Public Service, Permanent Secretary in charge of Labour, Controller and Auditor-General and the Permanent Secretary, Treasury. That is what has been happening year after year. We discussed with them the cross cutting issues that could save this country a lot of money. For example, there is the issue of delayed projects. Delayed projects invariably turn up to be more expensive. The cost escalates because the projects are delayed. Some of the reasons that have been advanced by accounting officers have been that donors did not provide their funds on time. We stated that for us to avoid delaying projects, we ought to discuss with donors, right at the onset, what would be the mechanism and procedure for releasing funds.

Mr. Temporary Deputy Speaker, Sir, we also found out that the Government has lost a lot of money through court cases. Although Ministries are sued for various reasons, they are not defended either on time or at all, when the cases are raised in court. The reason for this is that the concerned Ministries did not give evidence to the Office of the Attorney-General. As a result, the Government is found guilty and has to pay a lot of money. That is how the Government loses taxpayers’ money.

We also found that we are dealing with voluminous reports which could be reduced in size if there was co-operation and communication between the Office of the Controller and Auditor-General and the specific Ministries’ Accounting Officers. Many times, Accounting Officers present documents to the Controller and Auditor-General even when they are appearing before the Committee. They ought to have done that at a time when they were required to do so. They should sort out matters in contention early enough.

Mr. Temporary Deputy Speaker, Sir, we dealt with the reports for the 2004/2005 and 2005/2006 financial years. We are almost beginning with those for the 2007/2008 Financial Year. The reason for dealing with the reports for two financial years concurrently was to be up to date and deal with current matters. In many instances, we found that the culprits were either dead or had been transferred. Others could simply not be traced. This House has moved in the right direction by establishing two other Committees to deal with the local authorities. That is another area where billions of shillings belonging to the taxpayers have been lost and yet this House has been unable to investigate and deal with the matter. Fortunately, with the two Committees in place, we hope to recover the lost money.

I have touched on general findings of our Report. It was disheartening to note cases such as the sale of Bima House which was fraudulent. Even a layman could tell that there was

corruption and yet the Government has not bothered to prosecute the perpetrators of such fraud.

With regard to loans and the Government providing security to individuals in cases involving the National Bank of Kenya (NBK), we learnt that the loanees have not paid the loans and yet they are walking scot-free. This is the case and yet they are prominent Kenyans. If this country has to move forward, then Government should have the will to correct things.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I support the adoption of this Report.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Ethuro): Hon. Members, we have come to the end of today's sitting. Therefore, the House stands adjourned until tomorrow, 24th June, 2009, at 9.00 a.m.

The House rose at 6.30 p.m.