NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 18th June 2009

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

PETITION

VIOLATION OF CONSTITUTIONAL/PROPERTY/LAND RIGHTS IN MAU FOREST COMPLEX

Mr. Ruto: Mr. Deputy Speaker, Sir, pursuant to Standing Order No.205(2), I present a petition to this House on the violation of constitutional, property and land rights around the Mau Forest Complex.

I have a list of over 1,000 Kenyans who have signed. I have another batch of over 40,000 signatures in my office—

Mr. Deputy Speaker: Order! According to Standing Order No.207, you are supposed to read the statement of the parties presenting the petition. You should read it exactly as it has been put in by the signatories or the parties for that matter.

Mr. Ruto: Thank you, Mr. Deputy Speaker, Sir. The petition reads:-

We, the undersigned citizens of the Republic of Kenya, duly registered voters, taxpayers and residents of Bomet, Trans Mara and Narok South districts, bordering the Mau Forest Complex, authorise the Chepalungu Member of Parliament, hon. Isaac Ruto, to countersign and lay this Petition on the Table of the House and draw the attention of the House to the following:-

That, vide various legal notices Nos.142, 148 and 153 of 2001, our land was formally degazetted from the Mau Forest Complex. Most of us have been issued with the title documents, allotment letters and others are awaiting survey and adjudication of the place to facilitate the processing of title deeds. But, sometime in May, 2005, the officers of the County Council of Narok burnt our properties, arrested us, uprooted our crops, subjected our animals to acts of cruelty, employed strangers to demolish our properties, harassed us, intimated us and forcefully evicted us. We successfully challenged those malicious acts in a court of law where Justice Ramsley issued injunctive orders on 2nd June, 2005, barring the council, its officers, servants, agents and Government officers from interfering with our lawful properties.

That, sometime in March, 2009, some officers who identified themselves as the officers of the Kenya Forest Service and some Government officers strew eviction notices around our place of dwelling and, subsequently, burnt down our properties, harassed us, destroyed our crops, subjected our animals to acts of cruelty, intimidated us and threatened to forcefully evict us. We have since filed a judicial review application - John Mibey and Four Others versus the Attorney-General - challenging the aforesaid acts of impunity. The case is ongoing.

We are aware that since our area of occupation is no longer a forest, consequently, any common official and/or Government officer, statutory body and anyone whatsoever, do not possess even an iota of jurisdiction over the area. We are fully aware that the jurisdiction of the Kenya Forest Service under the Forest Act, Cap.205, only falls within the confines of the gazetted forest."

Mr. Deputy Speaker, Sir, I am aware that time is short and so, I am trying to skip some of the details. I hope you will allow me to do that. The petitioners go further to say:-

"Contrary to public perception that we do not care about the environment, and/or---

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

Mr. Deputy Speaker: Order, hon. Konchella! When an hon. Member is putting up a Petition, it is the Chair's direction that you should allow him to complete the prayer.

Mr. Konchella: But this is something which is out of order!

Mr. Deputy Speaker: What is out of order?

Mr. Konchella: On a point of order, Mr. Deputy Speaker, Sir. The hon. Member has said that this matter is in court. There is a judicial review application in court. So, why should this matter then be discussed here or brought to this House?

Mr. Deputy Speaker: It is a Petition! Proceed with the Petition, hon. Ruto!

Mr. Ruto: Mr. Deputy Speaker, Sir, I wish to proceed. The petitioners further say:-

"That this House should understand that contrary to the public perception that we do not care about the environment and/or are threats to the natural eco-system, we wish to set the record straight that we support the Government's efforts in the restoration of the degraded forests and eco-systems. We are even ready to set aside substantive portions of our land to farm forests. We are also ready for any negotiations with the Government in resolving forests and eco-system matters. We challenge the Government to dialogue with our well known civic/parliamentary leaders to come up with an enduring solution to lift us from this unnecessary quandary. We are even willing to give up our land if that will aid the restoration of the degraded forest, but provided that the Government abides by the well known provisions of the law, namely, Section 75 of the Constitution and the Land Acquisition Act, Cap.295 of the Laws of Kenya. We need either monetary compensation or compensation by way of land, equivalent to our respective share.

Such acts of interference with private property and gross abuse of human and constitutional rights defeats common sense; a sheer contempt and disregard of the legislations enacted by this honourable House, pursuant to its exclusive legislative powers under Section 30 of the Constitution. It also undermines the integrity of the House, makes a mockery of the intelligence of the hon. Members of the House, and subjects the rule of law to public ridicule and odium. Such acts of interference with peaceful and quiet possession of our private property, utter disregard of valid titles and violation of human and constitutional rights is a serious assault on the rule of law and it nurtures the strongly abhored tree of impunity and undermines our Constitution and requires an urgent intervention of the honourable House".

Therefore, your humble petitioners pray as follows:-

(i) "That this honourable House directs that the Departmental Committee on Administration of Justice and Legal Affairs summons the Director-General of the Kenya Forest Service to explain whether the Kenya Forest Service jurisdiction under the Forest Act of 2005 extends to degazetted settlement schemes. Whether it is proper for it, its agents, servants and/or agents, to interfere with persons who are in possession of valid title deeds from the peaceful and quiet enjoyment of their lawful properties and whether it can allocate itself the powers which are

exclusively vested in the High Court to unilaterally determine which title deeds are valid and which ones are not.

Further, the petitioners pray that this honourable House seeks an assurance from the Minister for Forestry and Wildlife that the Government shall not evict the legal occupiers of the cited places, under the Cited Legal Notices Nos.142, 148 and 153 of 2001, without the regard of the due process encapsulated under the Constitution and the various laws of Kenya.

That, this honourable House seeks an assurance from the Government of the Republic of Kenya that regardless of the findings of the Taskforce appointed by the Prime Minister, due process shall be followed in its implementation. Further, the petitioners pray that this honourable House directs that the Government of Kenya, in line with its oath of office, demonstrates its respect to the rule of law by ensuring that every manner of eviction around our place of residence be stopped, pending the final and exclusive determination of the ongoing cases.

Finally, that, this honourable House gives such other directions and relief to address and redress the petitioners' grievances as it deems fit."

Mr. Deputy Speaker, Sir, I do not know where to take the other signatures, but these will suffice for today.

Mr. Deputy Speaker: Lay the list on the Table!

(Mr. Ruto laid the document on the Table)

(Maj-Gen. Nkaisserry stood up in his place)

Mr. Deputy Speaker: Are you on a point of order or you want to make some comments? Under the rules, you can make some comments but they should not take more than five minutes.

Proceed!

The Assistant Minister, Ministry of State for Defence (Maj-Gen. Nkaisserry): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity. First and foremost, Narok South is fully represented by a Member elected by the people of Narok. If the Petition was to be raised, it will have to be raised through the hon. Member.

Mr. Deputy Speaker, Sir, secondly, a Petition must meet some requirements. We have a taskforce whose report has not been submitted to this House. We cannot accept a Petition which pre-empts the taskforce's report.

Mr. Deputy Speaker, Sir, in my view, I think this Petition is incompetent.

Dr. Khalwale: Mr. Deputy Speaker, Sir, I also rise under Standing Order No.208, that allows me to seek a few clarifications. The issue of Mau Forest is very important and far much bigger than the 210 Members of Parliament in this House or a section of us who think that part of this forest should be removed.

Mr. Deputy Speaker, Sir, if, indeed, the Member of Parliament represents those people who currently stay in the Mau Forest, the petition we would have expected him to bring before this House, is one asking the Government to move in and actually confiscate the property of the "big fish" who allocated themselves the Mau Forest and sold it to the poor Kenyans who are currently living there. Since some Members of Parliament in this House are the original beneficiaries of the Mau Forest, we would like them to declare their interests before they come here and pretend that they are advancing the interests of the victims that Forest.

(Applause)

The Assistant Minister for East African Community (Mr. Munya): Mr. Deputy Speaker, Sir, I would also like to add my voice to what my colleagues have said; that the Petition is against the spirit of environmental conservation. The Petition is not intended to move this process forward. We would have expected the hon. Member to give us a way forward in terms of preservation of the forest and moving out those people who are in the forests and, of course, settling them somewhere. However, his Petition seems to be intended to stall the process and make what the Government has already planned to do not to be done. So, it is intransigent and not in good faith. It is not intended to move the process forward and, therefore, should be rejected.

The Minister for Foreign Affairs (Mr. Wetangula): Mr. Deputy Speaker, Sir, the Petition that has been presented before this House is incompetent and you should direct that it be struck off.

Standing Order No.207(5) says:-

"A Member presenting a Petition shall not speak for more than five minutes."

The Member has presented the Petition for more than ten minutes, which is against that Standing Order.

Secondly, the Mau issue – and we were told by the presenter of the Petition – has been in court and adjudicated upon. This Parliament cannot then sit on what looks like an appellate authority, on a matter that has been before a court of law.

Last but not least, this Petition goes against the grain of what all of us including the President and the Prime Minister have been pronouncing about the setting up a taskforce; and that this Parliament should await the results and debate. This is a pre-emptive move and I urge that you strike out the Petition for incompetence.

Mr. Imanyara: Mr. Deputy Speaker, Sir, we should not be in too much of a hurry to use technicalities to deal with such a substantive issue. The Petition seeks a direction that it be referred to a Departmental Committee. My view is that, that is the proper forum for all these issues to be canvassed and a report brought to the House. Otherwise, we would be usurping the proper role of a Committee of the House.

Mr. Deputy Speaker: Order! Hon. Members, the Chair directs that the Petition be referred to the relevant Committee of the House, that is, the Departmental Committee on Justice and Legal Affairs. Indeed, it is such a weighty matter and the Chair has taken a conscious and studious position on it. The Petition is praying to the House to address violation of the constitutional and property land rights around the Mau Forest Complex.

In addition to that, the Committee will also establish whether, indeed, this matter is *sub judice* – it is before the court. In either case, the Committee will then report back to the House within 21 days as stipulated in our Standing Orders, effective from today, 18th June, 2009.

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

Mr. Deputy Speaker: If it is on the same issue, it has been disposed of! Once the Chair has given a direction, the matter rests there!

Let us move on to the next Order!

PAPERS LAID

The following Papers were laid on the Table :-

Annual Report and Accounts of the Jomo Kenyatta Foundation for the year ended 30th June, 2008 and the Certificate thereon by the Controller and Auditor-General.

(By the Minister for Gende, Children and Social Development on behalf of the Minister for Education)

Annual Report and Accounts of the Kenya Plant Health Inspectorate Service for the year ended 30th June, 2008 and the Certificate thereon by the Controller and Auditor-General.

Annual Report and Accounts of the Nyayo Tea Zones Development Corporation for the year ended 30th June, 2008 and the Certificate thereon by the Controller and Auditor-General.

(By the Minister for Gender, Children and Social Development on behalf of the Minister for Agriculture)

Annual Report and Accounts of the Kenya Ferry Services Limited for the year ended 30th June, 2008 and the Certificate thereon by the Controller and Auditor-General.

(By the Minister for Gender, Children and Social Development on behalf of the Minister for Transport)

Annual Report and Accounts of the Ewaso Ng'iro South Development Authority for the year ended 30th June, 2007 and the Certificate thereon by the Controller and Auditor-General.

Annual Report and Accounts of the Ewaso Ng'iro South Development Authority for the year ended 30th June, 2008 and the Certificate thereon by the Controller and Auditor-General.

(By the Minister for Gender, Children and Social Development on behalf of the Minister for Water and Irrigation)

Annual Report and Accounts of the Agricultural Finance Corporation and its subsidiary Lands Limited consolidated for the year ended 31st March, 2008 and the Certificate thereon by the Controller and Auditor-General.

Annual Report and Accounts of Lands Limited (A subsidiary of the Agricultural Development Corporation) for the year ended 31st March 2008 and the certificate thereon by the Controller and Auditor General.

Annual Report and Accounts of the Agricultural Development Corporation (Garissa Irrigation Project) for the year ended 31st March 2008 and the certificate thereon by the Controller and Auditor General.

(By the Minister for Gender, Children and Social Development on behalf of the Minister for Agriculture)

Annual Report and Accounts of the Kenya Marine and Fisheries Research Institute for the year ended 30^{th} June, 2008 and the certificate thereon by the Controller and Auditor General.

(By the Minister for Gender, Children and Social Development on behalf of the Minister for Fisheries Development)

Annual Report and Accounts of the Kenya Wildlife Service for the year ended 30th June, 2007 and the certificate thereon by the Controller and Auditor General.

(By the Minister for Gender, Children and Social Development on behalf of the Minister for Minister for Forestry and wildlife)

Annual Report and Accounts of the Kenya Pipeline Company Limited for the year ended 30th June, 2008 and the certificate thereon by the Controller and Auditor General.

(By the Minister for Gender, Children and Social Development on behalf of the Minister for Energy)

Annual Report and Accounts of the Kenya National Commission on Human Rights for the year ended 30th June, 2008 and the certificate thereon by the Controller and Auditor General.

(By the Minister for Gender, Children and Social Development on behalf of the Minister for Justice, National Cohesion and Constitutional Affairs)

Annual Report and Accounts of the Kenya Post Office Savings Bank for the year ended 31st December, 2006 and the certificate thereon by the Controller and Auditor General

(By the Minister for Gender, Children and Social Development on behalf of the Deputy Prime Minister and Minister for Finance)

NOTICES OF MOTION

ENHANCEMENT OF BUDGETARY ALLOCATION TO MINISTRY OF DEVELOPMENT OF NORTHERN KENYA AND OTHER ARID LANDS

Mr. Affey: Mr. Deputy Speaker, Sir, I beg to notice of the following Motion:-

THAT, noting the past and continued marginalization of Northern Kenya, aware that because of the prolonged neglect, the entire region has lagged behind in development compared to other parts of Kenya; cognisant of the fact that the inhabitants of the region are taxpayers with equal human and legal rights like other Kenyans, entitled to all the services provided by the Government, including adequate security and infrastructural facilities such as road network to open up the region, appreciating the efforts of the Grand Coalition Government in establishing the Ministry for Development of Northern Kenya and Other Arid Lands as a strategy to address these historical imbalances; this House resolves that the Deputy Prime Minister and Minister for Finance increases budgetary allocation to the Ministry of Development Northern Kenya and other Arid Lands to at least

15 per cent per annum for the next decade in line with the Government's positive approach towards the development and transformation of this region.

QUESTIONS BY PRIVATE NOTICE

JUSTIFICATION FOR KENYA'S LARGE
DELEGATION TO GENEVA UN MEETING

(Mr. K. Kilonzo) to ask the Minister for Foreign Affairs:-

- (a) Could the Minister justify the sending of the large delegation, including five Cabinet Ministers to Geneva, ostensibly to articulate the Coalition Government's position on Prof. Philip Alston's Report at the UN?
- (b) What was the composition of the entire delegation as well as the total cost of the trip to the government?
- (c) Could the Minister consider instituting measures to recover the expenses incurred by the Ministers for Lands and East African Community, whose inclusion in the trip was unnecessary?

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

RITUAL MURDERS IN KISUMU EAST DISTRICT

- **Mr. Olago:** Mr. Deputy Speaker, Sir, I beg to ask the Minister of State for Provincial Administration and Internal Security the following Question by Private Notice.
- (a) Is the Minister aware that between May 2006 and 2nd June 2009, there have been ritual murders of members of the family of Agingu of Nyahera Sub-location, in Kisumu East District in which Mr. Aloo Oremo, Ms. Rosa Agingu, Ms. Sela Odenyo and Ms. Esther Akinyi Odenyo were either beheaded and/or their private parts chopped off or skulls skinned.
- (b) What action have the Police taken to apprehend suspects and end this state of insecurity?

The Assistant Minster, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Deputy Speaker, Sir, I beg to reply.

(a) We are not aware of any ritual murders of members of a family of one Agingu of Nyahera sub-location. The murder of Aloo Oremo was reported at Maseno Police Station and is under investigation. The deceased was the brother of the Assistant Chief of Nyahera sub-location and the police are following useful leads.

The reports on the other three deceased persons are as follows:-

On the night of 16th and 17th March, 2007, at Nyahera sub location; one Rose Agingu, a Luo female, aged 70 years was discovered murdered outside her house with multiple cut wounds on the head and the right arm missing. The police were informed and investigations commenced immediately. An inquest file No.3/07 was opened. After completion of the investigation, the State Counsel recommended that the file be placed before a magistrate for public inquest. The Public inquest commenced vide court file No.5/07. The next hearing is fixed for 16th July, 2009.

On 8th May, 2007 at about 6.30 p.m. at Nyahera sub-location, one Serah Atieno, a Luo female juvenile aged three years went missing from her home. Later at about 7.30 p.m., she was found murdered outside the house of their neighbour with deep cuts on the head. The incident was reported to the police and investigations commenced. A police inquest file No.4/07---

(Loud consultations)

Mr. Olago: On a point of order, Mr. Deputy Speaker, Sir. I would like to listen to the answer to this Question. However, there are a lot of consultations around me here which is very noisy.

Mr. Deputy Speaker: Order, hon. Members!

The Assistant Minster, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode):Mr. Deputy Speaker, Sir, a police inquest file No.4/07 was opened and a public inquest is being heard vide court file No.06/07. The next hearing is fixed for 22nd July, 2009.

On the night of 2nd June, 2009 at about 8.15 p.m. at Nyahera sub-location one Esther Akinyi, a Luo female juvenile was found murdered a few metres from her home with her head severed from the rest of the body. A report was made and investigations commenced. A police inquest File No.7/09 was opened and investigations are still on. The case is being treated as a normal murder.

(b) The incidents are all under investigations with a view to arresting and prosecuting any person linked to these murders. Also, the outcome of the two public inquests pending before court is being awaited. Any orders issued by the court in relation to the two cases will be acted upon. However, community policing initiatives have been launched in the area and the members of the public have been helpful. It is just a matter of time before the suspects are apprehended and prosecuted. In addition, police patrols have been intensified and the information gathering network has been strengthened. The Officer in Charge of the Station (OCS) has been properly instructed by the OCPD, Kisumu East District.

Mr. Olago: Mr. Deputy Speaker, Sir, you heard the hon. Assistant Minister state that these murders are normal murders. A murder cannot be a normal thing. Secondly, you notice that in a period of about 18 months, four persons have been murdered in one small part of Nyahera sub-location. If you look at the circumstances in one, the arm is chopped off and goes missing. In another the head is severed. In other, the skull is skinned. In all these cases, he says these are normal murders. Could he confirm to this House that these are ritual murders? What does it reflect on the capacity of the police to investigate and apprehend suspects if over 18 months, they have not done it?

Mr. Ojode: Mr. Deputy Speaker, Sir, it is sad news that such heinous acts can happen in a civilized society like Kisumu.

We are having very good leads and the police are zeroing in on four people. Investigations are still ongoing. Hopefully, within a month or so, we will be able to identify those who are murdering on a daily basis.

Mr. Njuguna: Mr. Deputy Speaker, Sir, thank you for giving me this opportunity to ask the Assistant Minister a supplementary question. He has really made a very strong effort to respond to this Question. Could he tell us the specific security arrangements he has put in place to make sure these incidents do not occur again? It is almost clear that there is an elimination squad targeting the elderly in those areas. Could he assure the remaining members of those families that they can move about and carry on with their daily activities without any fear of insecurity in the area?

Mr. Ojode: Mr. Deputy Speaker, Sir, foot patrols have already been intensified and strengthened. As a matter of fact, those who are moving around Ogada and Kiboswa areas must be questioned by the police. Even the hon. Member is aware that we have intensified police

patrols within that vicinity. The patrols will continue and we will also be updating the hon. Member on what the police have done.

Mr. Njuguna: On a point of order, Mr. Deputy Speaker, Sir. I wish to reckon that this Assistant Minister is very serious and committed.

Mr. Deputy Speaker: That is not a point of order!

Mr. Yakub: Mr. Deputy Speaker, Sir---

(Loud consultations)

- **Mr. Deputy Speaker:** Order, hon. Members! Mr. Yakub needs to be listened to so that the Assistant Minister can answer him.
- **Mr. Yakub:** Mr. Deputy Speaker, Sir, when a police constable was caught by citizens handling drugs and taken to a police station, statements were made and the Occurrence Book number was given. How long does it take for that police station to take the police constable to court?
- **Mr. Ojode:** Mr. Deputy Speaker, Sir, I am at a loss. Which section of the Question are we talking about?
- **Mr. Deputy Speaker:** Mr. Yakub, you have a different Question. The Assistant Minister is right.
- **Dr. Khalwale:** Mr. Deputy Speaker, Sir, Nyahera Sub-location has a clan called Nyahera. This is a special clan because it is the clan that gave birth to Mr. Robert Ouko. The Assistant Minister knows that in their offices, there is a big report which was done by a commission set up by the Government to investigate devil worship. Every way you look at it, for example, chopping off private parts, skinning the scull and so on---
- **Mr. Linturi**: On a point of order, Mr. Deputy Speaker, Sir. I believe that my friend, Dr. Khalwale, is misleading the House. He has just said that this clan is special because it gave birth to Dr. Robert Ouko. I want to know whether a clan can give birth to an individual other than the mother and the father.
- **Dr. Khalwale:** Mr. Deputy Speaker, Sir, may I answer him that the word "Nyahera" refers to the original ancestors of this clan and therefore they are the ones who gave birth to this great, great grandson called Dr. Robert Ouko. However, whichever way you look at it, chopping off private parts and skinning the skull points to a ritual. Could the Assistant Minister undertake to lay on the Floor of the House the Report of that Commission that looked into the issue of devil worship in this country?
- **Mr. Ojode:** Mr. Deputy Speaker, Sir, you will agree with me that, that is a totally different Question. I would be able to lay any report if a substantive Question is asked. I will respond to it elaborately and I will do whatever is within my means to get what Dr. Khalwale wants.
 - Mr. Deputy Speaker: Mr. Olago, could you ask the last question?
- **Mr. Olago:** Mr. Deputy Speaker, Sir, may I add my voice to what Mr. Njuguna said, that this particular Assistant Minister is very hardworking. Having said that, could he confirm that he can convert that hard work to making sure that the police act in these cases?
 - Mr. Ojode: Mr. Deputy Speaker, Sir, that is exactly what I will do.
 - Mr. Deputy Speaker: Next Question, by Mr. K. Kilonzo!

DELEGATION TO GENEVA UN MEETING

(Mr. K. Kilonzo) to ask the Minister for Foreign Affairs:-

- (a) Could he justify the sending of the large delegation, including five Cabinet Ministers to Geneva, ostensibly to articulate the Coalition Government's position on Prof. Philip Alston's Report at the UN?
- (b) What was the composition of the entire delegation as well as the total cost of the trip to the Government?
- (c) Could he consider instituting measures to recover the expenses incurred by the Ministers for Lands and East African Community, whose inclusion in the trip was unnecessary?
- Mr. Deputy Speaker: Is Mr. K. Kilonzo not here? That Question is dropped.
- **Mr. Affey:** On a point of order, Mr. Deputy Speaker, Sir. This Question has appeared on the Order Paper for the last one week and we are assuming that it is the property of the House. Since the Minister is in the House to answer it, could you ask him to answer it so that we can interrogate him?
- **Mr. Deputy Speaker:** Order! As per the traditions of the House regarding a Question by Private Notice, the Questioner must be in the House to ask that Question. It is only Ordinary Questions that can be delegated to friends if the Questioner so wishes. Under the circumstances, the Question is dropped. In any case, a directive was given for this Question to appear on the Order Paper today in the afternoon. So, the Questioner has no excuse for not being here.

(Question dropped)

ORAL ANSWERS TO QUESTIONS

Question No.023

UPGRADING OF OBOCH DISPENSARY TO HEALTH CENTRE

Mr. Ochieng asked the Minister for Public Health and Sanitation what plans she has to elevate Oboch Dispensary in Nyakach Constituency to a health centre, considering that the facility serves many patients.

The Assistant Minister for Public Health and Sanitation (Dr. Gesami): Mr. Deputy Speaker, Sir, I beg to reply.

Oboch Dispensary will be considered for upgrading into a health centre status as soon as the necessary infrastructure and equipment has been put in place. At the moment, patients can access medical services at Nyabondo Mission Hospital and Nyakach A.I.C Dispensary which are three kilometres and two hundred metres away, respectively, from the said Oboch Dispensary.

- **Mr. Ochieng:** Mr. Deputy Speaker, Sir, I want to say that the answer is not actually admissible at this particular point because this is a facility that was constructed in 1964 and it has remained like that for a very long time without being upgraded. I wonder when the Ministry will avail enough cash for infrastructure for it to be upgraded to a health centre.
- **Dr. Gesami:** Mr. Deputy Speaker, Sir, before we upgrade a dispensary to a health centre, we need minutes from the Locational Development Committee (LDC) to the District

Development Committee (DDC) and then forwarded to us at the Ministry headquarters, for us to take the necessary action to expand that facility and gazette it as a health centre.

Dr. Nuh: Mr. Deputy Speaker, Sir, with the formation of so many districts, it happens that most constituencies which have been upgraded to districts do not have health centres or district hospitals to serve the population. When will the Ministry avail district hospitals in all the districts that have been formed?

Dr.Gesami: Mr. Deputy Speaker, sir, I have already mentioned that we respond to the community's needs. I therefore, hope that those new districts will decide in the LDC and DDC and forward the requirements to the Ministry headquarters and we shall consider upgrading those facilities from dispensaries, health centres, sub-district hospitals and then district hospitals.

Mr. Deputy Speaker: Last Question, Mr. Ochieng!

Mr. Ochieng: Mr. Deputy Speaker, Sir, I agree with the Assistant Minister because he has given me the criteria for upgrading this facility and we will be able to follow it.

Question No.226

MEASURES TO STEM CATTLE RUSTLING IN RONGAI CONSTITUENCY

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

- (a) the measures he is taking to stem the rampant cases of cattle rustling and other incidents of insecurity in Waseges Division, Rongai Constituency;
- (b) when he will establish a police post in the division to help address the problem; and,
- (c) when the Government will provide a motor vehicle to the Waseges District Officer (DO) to enable him perform his duties effectively.

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Ojode): Mr. Deputy Speaker, Sir, I beg to reply.

- (a)While it is true that there have been reported incidents of cattle rustling and other incidents of insecurity, the cases have not reached a level that we can term as rampant. By way of illustration, since January, 2009 only three serious cases have so far been reported and all of them being cases of stock theft. The three cases are as follows:
 - (i) There is a Police File No. 766/18/09 stock theft.
 - (ii) Police Case No. 766/20/09 stock theft.
 - (iii) Police Case No. 766/31/09 stock theft.

The afore-listed cases are pending before court and therefore, we will offer no further comment. However, to ensure that peace and security continue to prevail, foot patrols have been stepped up and all known cattle rustling routes have so far been sealed.

(b) Establishment of a police post is dictated by several factors. Some of these factors include crime trend, availability of land and availability of funds for construction of housing facilities, both for office accommodation and residential, population and availability of personnel. Currently, Waseges Division is served and policed by Mutheitia and White Rocks police posts, which are less than eight kilometers apart. All the factors taken on board, we will be in order to conclude that Waseges Division is adequately served and policed.

- (c)The Government has purchased a number of vehicles which are being distributed to the new districts. The divisions which do not have vehicles, among them Waseges will, therefore, be considered after the districts.
- **Mr. Kigen:** Mr. Deputy Speaker, Sir, the Assistant Minister has told us that they take into account the issue of population, availability of space and land when establishing police posts. We already have some police posts in Waseges. But if you look at the number of police officers there, they are only three. They have no ability to move around. What is the Assistant Minister going to do to make use of those few police officers who are there to ensure that the problem of cattle rustling is arrested?
- **Mr. Ojode:** Mr. Deputy Speaker, Sir, I have no problem establishing another police post for the hon. Member but there is criteria. One criterion is that we allow the security team to propose where the next police post will be. He is a member of the security team or he can be invited as a member to go and give proposals. If he can fast track it from the ground, I will consider if at all that proposal is approved by the security.
- **Mr. Kigen:** Mr. Deputy Speaker, Sir, we have police posts. What the Assistant Minister is not addressing is: What measures is he going to take to enable those police officers in the police posts operate to contain the problem of stock theft?
- **Mr. Ojode:** Mr. Deputy Speaker, Sir, we have said everyday that the police officers who are attached to those areas prone to cattle rustling must do their usual patrols. In the event that they are not doing their work, I want the area OCPD to ask for more police officers in order to strengthen the team they already have.
- **Mr. Mwangi:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister has dwelt so much on cattle rustling. There are other socio-economic factors that go along with it. Could he tell us how many schools are closed and what arrangements the Government is making to feed to those children who are not attending schools?
- **Mr. Ojode:** Mr. Deputy Speaker, Sir, I am not aware of any schools being closed as a result of cattle rustling. If there is any, I would like to be informed so that I take action.

Question No.013

COMPLETION OF LUANDA TOWN BUS PARK

- **Dr. Otichilo** asked the Deputy Prime Minister and Minister for Local Government:-
- (a) when he will complete the construction of Luanda Town Bus Park which was initiated by the Government; and,
- (b) whether he could assure the House that he has allocated money for the completion of the bus park during the 2009/2010 financial year and whether he will order the demotion of the illegal stalls opposite the bus park.
- The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Nguyai): Mr. Deputy Speaker, Sir, I beg to reply.
- (a) The construction of Luanda Bus Park was initiated by the then Ministry of Roads and Public Works as part of the Kisumu-Yala Highway and not by my Ministry. What my Ministry initiated and completed was the construction of Luanda Market.
- (b) My Ministry is running a programme of assisting various local authorities such as Luanda Town Council to rehabilitate and/or reconstruct bus parks using the very limited

financial envelope allocated by the Treasury. It is for this reason that I am unable to assure the House that my Ministry will allocate money for the completion of the bus park during the 2009/2010 financial year. However, I assure this House that my technical team will be deployed to prepare tender documents for the bus park in readiness for implementation of the project during the 2010/2011 financial year.

With respect to the demotion of illegal stalls in front of the bus park facing, the Kisumu-Busia Highway, I wish to assure this august House that my Ministry is committed to ridding all towns of illegal structures. In this connection, I wish to confirm that I will order the Town Council of Luanda to demolish illegal stalls constructed in front of the said bus park in a humane manner.

(Mrs. Mugo consultated loudly)

Mr. Deputy Speaker: Order, Mrs. Mugo!

Dr. Otichilo: Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for the good answer. I would like to say that it has covered what I needed. However, given that Luanda is one of the busiest towns in Western Kenya in terms of transport--- all vehicles plying from Nairobi pass through Luanda. It is, therefore, important that the bus park be constructed. When does he think he can consider making a temporary bus park as they prepare the tender documents for the final construction of the park so that, that bus park can be used by the vehicles that ply through that town?

Mr. Nguyai: Mr. Deputy Speaker, Sir, the technical team is being deployed. As it is being deployed, they will also look into the issue of a temporary bus park for the time being.

Dr. Otichilo: Mr. Deputy Speaker, Sir, I am very happy with the answer he has given me but I would like to know when he is going to give the order for the demolition of the stalls that are hindering transport business in Luanda. I am aware the Town Council made a resolution to demolish the stalls but to date, they have not done so. What assurance is he giving me that they will demolish the stalls that are obstructing transport in the town?

Mr. Nguyai: Mr. Deputy Speaker, Sir, as we know, it is the council that normally gives the demolition order. We will follow through to ensure that the demolition order is effected and we will do that immediately. Even if he visits me tomorrow, we will follow it through and make sure that, that happens.

Mr. Deputy Speaker: Order! Order, hon. Members! I have since been informed that Mr. K. Kilonzo is, indeed, out on Parliamentary business to Germany. Under the circumstances, his Question is not dropped. It is going to appear on the Order Paper at a time, day or date when Mr. K. Kilonzo is available in the House.

QUESTION BY PRIVATE NOTICE

JUSTIFICATION FOR KENYA'S LARGE DELEGATION TO GENEVA UN MEETING

(Mr. K. Kilonzo) to ask the Minister for Foreign Affairs:-

(a) Could he justify the sending of the large delegation, including five Cabinet Ministers to Geneva, ostensibly to articulate the Coalition Government's position on Prof. Philip Alston's Report at the UN?

- (b) What was the composition of the entire delegation as well as the total cost of the trip to the Government?
- (c) Could he consider instituting measures to recover the expenses incurred by the Ministers for Lands and East African Community, whose inclusion in the trip was unnecessary?

(Question deferred)

Mr. Deputy Speaker: Hon. Members, it is the Committee of Ways and Means Day. I, therefore, direct that Question No.175 by Mr. Konchella, Question No.132 by Mr. Kiuna, Question No.290 by Mr. Washiali, Question No.126 by Mr. Yakub, Question No.142 by Mr. Kapondi and Question No.262 by Dr. Laboso be placed on the Order Paper on Tuesday and Wednesday next week.

Question No.175

INVESTIGATION OF FRAUD IN MARA CONSERVANCY/ OLOOLO GAME RANCH

(Question deferred)

Question No.132

ENFORCEMENT OF MARKETING STANDARDS FOR AGRICULTURAL PRODUCE

(Question deferred)

Question No.290

PAYMENT OF SUGARCANE AT DIFFERENT PRICES BY SUGAR FACTORIES

(Question deferred)

Question No.126

TERMINAL DUES FOR KENYAN EMPLOYEES OF DEFUNCT EAC

(Question deferred)

Question No.142

COMPULSORY ACQUISITION OF MR. RICHARD MWOREI'S LAND

(Question deferred)

Question No.262

LOCATION OF INTERMEDIARIES DISBURSING WEDF

(Question deferred)

I had directed yesterday that Question No.290 by hon. Washiali should have priority in today's Order Paper. It is regretted that it did not have. I direct that this Question should have priority on the Order Paper on Tuesday, next week.

Next Order!

POINTS OF ORDER

ANONYMOUS LETTER TO HON, IMANYARA

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

Mr. Deputy Speaker: What is your point of order, Mr. Imanyara? Indeed, make it very short because we have to start the business of the House by 3.30 p.m.

Mr. Imanyara: Mr. Deputy Speaker, Sir, I seek your indulgence. As I was walking into this House this afternoon, I received a letter in my pigeon hole. The letter came officially through Parliament. It is rubber-stamped "received" by the Parliamentary staff on 17th June, 2009.

Mr. Deputy Speaker, Sir, it is a chilling story of murder. It talks about Members of Parliament who are to be eliminated. I am on that list and so are five other hon. Members of Parliament, including Ms. Karua. The letter says:-

"The First Family is using our Commissioner, Maj-Gen. Hussein Ali, to order us to eliminate Mr. Imanyara, but the Commissioner is not willing and he is summoned to State House every week."

Mr. Deputy Speaker, Sir, this letter contains chilling details about Kenyans who have been killed, how they have been killed and those who are about to be killed. I need your direction on how to proceed, given the very, very serious implications of this letter, which I am giving to you.

(Mr. Imanyara laid the letter on the Table) (Several hon. Members whistled loudly)

Hon. Members: Shame! Shame!

Mr. Deputy Speaker: Hon. Mbadi, while the Chair is studying the contents of this letter and giving a communication on the same, could you, please, seek your Ministerial Statement?

RADIO\TELEVISION TRANSMISSION INTERFERENCE

Mr. Mbadi: Thank you, Mr. Deputy Speaker, Sir. I rise to seek a Ministerial Statement from the Ministry of Information and Communications. For the last three weeks, the people of the greater South Nyanza region have not been able to access Radio Maendeleo, Radio Lake Victoria and Radio Namulolwe. I am made to understand that the Royal Media Services has

erected a booster and a transmitter in Homa Bay and Migori respectively. They have further erected a booster in Siaya Town. Those gadgets have interfered with every other radio transmission, other than those that belong to the Royal Media Services. In some cases, the television signals are not also available, other than those of the Citizen Television.

- Mr. Deputy Speaker, Sir, I would like the Minister to clarify the following:-
- (i) if the installation of those gadgets were approved by the Communications Commission of Kenya (CCK),
 - (ii) the CCK policy on frequency interference by industry players,
- (iii) why that one company is allowed to roguely own more frequencies than even the Kenya Broadcasting Corporation, which is State-owned; and,
- (iv) what is the CCK's policy on the response in the event that such interference is reported and what is the response time.

Thank you, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order! Hon. Minister, can you give an undertaking on when you are going to issue a Ministerial Statement on the same?

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Deputy Speaker, Sir, the matter will be brought to the attention of the relevant Minister, so that he can decide the next course of action.

Mr. Deputy Speaker: Hon. Minister, the tradition in this House is that there is collective responsibility and, under the circumstances, even in the absence of the Minister, another Minister takes that responsibility and gives an undertaking as to when the Ministerial Statement will be available on the Floor of the House.

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Deputy Speaker, Sir, I will suggest to the Minister that he replies on Thursday.

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

Mr. Deputy Speaker: Order! Is it on the same issue?

Mr. Kioni: Yes, Mr. Deputy Speaker, Sir. I think it is important to know that the relevant Minister is still here, seated and chatting, and not paying attention to the things that are happening in Parliament!

(Applause)

Mr. Deputy Speaker: Order! Is the Minister for Information and Communications here? **Hon. Members:** Yes!

Mr. Deputy Speaker: Order! Order, hon. Minister! It would be fair in future if you listened to hon. Members seeking Ministerial Statements from your Ministry! But, nonetheless, there is collective responsibility and your colleague has taken the responsibility on your behalf.

Proceed, Dr. Nuh! Please, save on time!

STATUS OF HUMAN-WILDLIFE/LIVESTOCK-WILDLIFE CONFLICT

Dr. Nuh: Thank you, Mr. Deputy Speaker, Sir. I rise to seek a Ministerial Statement from the Minister for Forestry and Wildlife. In the light of the current drought that is ravaging many parts of this country, I am seeking a Ministerial Statement from the Minister on the status of human-wildlife and livestock-wildlife relationships and/or conflict, whichever is happening.

Mr. Deputy Speaker, Sir, I would also want to get, in the Statement, what acreage of the Kenyan landmass is under the parks and national reserves and what percentage of that actually falls under the Arid and Semi-Arid Lands (ASALs) region.

Mr. Deputy Speaker, Sir, I would also want the Minister to clarify what informed the brutal operation by the Kenya Wildlife Service (KWS) where thousands of animals were chased around the Tsavo West National Park using choppers, vehicles and with hundreds of rangers in pursuit, and whether livestock are lesser animals to the wildlife that the Ministry is guarding.

Finally, Mr. Deputy Speaker, Sir, I would like to know why KWS has resorted to inhuman treatment of the livestock and their owners neighboring the national parks, in contravention of both the human and animal rights, and when the KWS will compensate them for any loss caused by the operation, be it human or livestock for that matter.

Thank you, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order! Hon. Minister, can you give an undertaking on when you are going to issue a Ministerial Statement on that? He is not here? Any Minister can give that undertaking.

The Assistant Minister for Local Government (Mr. Nguyai): Mr. Deputy Speaker, Sir, I give the undertaking to ensure that the Minister gives the Statement on Thursday, next week.

Mr. Deputy Speaker: It is so directed! Proceed, Ms. Odhiambo! You will be the last one seeking a Ministerial Statement.

UPSURGE OF CHILD SEXUAL ABUSE/ EXPLOITATION CASE

Mrs. Odhiambo-Mabona: Thank you, Mr. Deputy Speaker, Sir. I rise to seek a Ministerial Statement from the Minister of State for Provincial Administration and Internal Security in relation to the alarming increase in cases of child sexual abuse and exploitation.

Mr. Deputy Speaker, Sir, as the world celebrated the day of the African Child two days ago on the 16th day of June, 2009, Kenya was, instead, treated to alarming cases of gross violations of the rights of the child through sexual abuse. Could the Minister kindly explain the following:-

- (a) whether the statistics desegregated by gender, children who have reported cases of sexual abuse and exploitation this year,
- (b)how many cases of the ones reported have been successfully prosecuted resulting in convictions,
- (c)why the police have refused to arrest Fr. Kizito who is alleged to have sexually abused children in this City, even after a report was made to the Criminal Investigation Department (CID) on the 5^{th} of June, 2009,
- (d)could the Minister also clarify why the said Fr. Kizito is accorded police security, instead of actually being arrested, arraigned in court and prosecuted?
- (e)could the Minister explain what proactive measures the police are taking to equip the police to deal with such cases because they do not seem to have competence to deal with such cases?

Thank you, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Mr. Assistant Minister, could you give an undertaking on that?

The Assistant Minister Ministry of State for Provincial Administration and Internal Security (Mr. Lesrima): Mr. Deputy Speaker, Sir, I undertake to issue the Ministerial Statement on Thursday, next week.

Mr. Deputy Speaker: It is so directed!

PROSECUTION OF SOMALI PIRATES IN KENYAN COURTS

Mr. Baiya: On a point of order, Mr. Deputy Speaker, Sir. On Tuesday, this week, you directed the Attorney-General to issue a Ministerial Statement today on the issue of Somalia pirates being prosecuted in Kenyan courts.

Mr. Deputy Speaker: Is the Attorney-General here? He wrote a letter to the Minister for Foreign Affairs and copied the same to the Speaker. The Minister for Foreign Affairs gave an undertaking that the Ministerial Statement will be issued at an appropriate date in future. Could the Minister for Foreign Affairs or any other Minister give a definitive day when the Ministerial Statement will be made in this House?

The Minister for Gender, Children and Social Development Affairs (Ms. Mathenge): Mr. Deputy Speaker, Sir, we undertake to issue the Ministerial Statement on Thursday, next week.

Mr. Deputy Speaker: It is so directed!

APPOINTMENT OF MRS. KOMORA TO CAPITAL MARKETS AUTHORITY

Mr. Ogindo: On a point of order, Mr. Deputy Speaker, Sir. On Wednesday, last week, the Chair ruled that I get a Ministerial Statement today on the appointment of one Mrs. Komora to the Capital Market Authority (CMA). As you can see, I am still anxious. I seek your guidance on when the Ministerial Statement will be issued.

Mr. Deputy Speaker: Mr. Deputy Prime Minister and Minister for Finance, you are supposed to issue a Ministerial Statement today. However, I understand the weight of the responsibilities you have being a Budget time. When will you issue this Ministerial Statement? The Chair will be lenient with you this time round!

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Thank you for your leniency, Mr. Deputy Speaker, Sir. I undertake that the Ministerial Statement will be issued in the morning on Wednesday, next week.

Mr. Deputy Speaker: Fair enough. It is so directed!

Mr. Mungatana: Mr. Deputy Speaker, Sir, I rise on a point of order under the Broadcast of House Proceedings, Standing Order No.34(2). I would like to refer to the First Schedule of the Broadcasting Regulations which are set out in Standing Order No.34(2). I am looking specifically at Rule No.6(3) which, in brief, says that any external media house that receives a broadcast feed from this House shall broadcast it without any manipulation or distortion whatsoever. We woke up this morning to some very surprising headline from one of the media houses that boldly and brazenly pronounced that the ODM had conducted a coup in Parliament by taking up positions in Committees. In fact, none of the other media houses had that report. This is a suggestion that it was a clear distortion and manipulation.

Mr. Deputy Speaker, Sir, could that media house make an appropriate apology? This is because as far as the proceedings of the House were concerned only names of the Committee Members were laid on the Table of the House. It is unfair, wrong and a great abuse to broadcast from this House that one of the political parties has taken control of the House when no elections have, in fact, been conducted. We would like this House and political parties to be treated with

dignity. It is appropriate for me to ask that the Speaker directs that an appropriate apology be made to hon. Members of this House and the political parties that brought them here.

Mr. Deputy Speaker: Which media house are you referring to?

Mr. Mungatana: Mr. Deputy Speaker, Sir, I am quoting *The Standard* Newspaper. I believe that it is not the entire management that is involved. There are some people who are not doing what is expected of them. These people present distorted and manipulated stories which hurt the dignity of this House.

Mr. Deputy Speaker: Hon. Members, indeed, it is true that broadcast is regulated in this country. Media houses have got to conform to regulations stated by the House. The Chair will make appropriate indulgence and, indeed, make a communication on the same on Tuesday, next week.

Mr. Imanyara: On a point of order, Mr. Deputy Speaker, Sir. The letter---

Mr. Deputy Speaker: Indeed, hon. Members, I have gone through the content of this letter. It is, indeed, chilling as you put it. But nonetheless, the Chair will give a direction on this matter on Wednesday, next week in the afternoon.

Dr. Khalwale: Mr. Deputy Speaker, Sir, it is very important that the Chair comes out clearly about this letter. This is because the names of the hon. Members who---

Mr. Deputy Speaker: Order, Dr. Khalwale! The Chair has, indeed, ruled on the same. The Chair notes the gravity of the content of the letter and will give a communication on the same on Wednesday, next week. The matter rests there!

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

Mr. Deputy Speaker: Is it on the same matter?

Dr. Khalwale: On procedure, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: What procedure and yet a ruling has been made on this matter? The matter rests there!

Dr. Khalwale: Mr. Deputy Speaker, Sir, indeed, the matter rests there, but because the issue is a matter of life and death, it is only important that for the record, it is clear that on the list is Mr. Gitobu Imanyara, Dr. Khalwale---

Mr. Deputy Speaker: Order, Dr. Khalwale! Order! The gravity of the matter is as grave to every Member of Parliament in this House as it is to you. The Chair has made a ruling on that. Unfortunately, there is no appellate process in this. If you need to make an appeal, then approach the Chair and present your case. You can do that at your own time in the Speaker's Office. Under the circumstances, that matter rests there!

Let us move on to the next Order!

Hon. Members, we are ten minutes late. Therefore, the House will sit up to 20 minutes to 7.00 p.m.

COMMITTEE OF WAYS AND MEANS

(Order for Committee read)

[Mr. Deputy Speaker left the Chair]

IN THE COMMITTEE

[The Temporary Deputy Chairman

(Mr. Imanyara) took the Chair]

MOTION

APPROVAL OF TAXATION MEASURES

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, the proposals relating to Excise Duties, Value Added Tax, Income Tax and Miscellaneous Fees and Taxes contained in the Financial Statement for the year of Account 2009/2010 be approved.

Mr. Temporary Deputy Chairman, Sir, His Excellency the President has signified his consent to this Motion. The taxation measures I have proposed are aimed at stimulating growth, protecting jobs, reducing poverty and, indeed, enhancing food security while protecting the poor.

As I mentioned in my Budget Speech, this is reflective of our commitment to restoring the economy back to a higher growth path in order to expand economic opportunities, create jobs and improve the standards of living of our people.

I would like to inform hon. Members that the measures I have proposed under the East African Customs Management Act and the Common External Tariff will, however, be implemented only after they have been gazetted by the Chairperson of the East African Community Council of Ministers.

Mr. Temporary Deputy Chairman, Sir, some of the tax measures to be gazetted, which are aimed at promoting growth of our industries and making them competitive, include removal of Import Duty on industrial parts, input for manufacture of paper and paper boards and raw materials for the manufacture of sanitary towels.

I have proposed several measures under Excise Duty, Value Added Tax (VAT) and Income Tax, all aimed at promoting investment, growth, employment creation and improving living standards. On Excise Duty, I have proposed, amongst others, the following measures:-

- (i) reduction of Excise Duty on cosmetics skin care products, bottled water, soft drinks and juices as well as removal of Excise Duty on jewellery to encourage expansion and make such commodities not only affordable but also accessible; and,
- (ii) changing the Excise Duty regime for wines and spirits from alcohol by volume to a hybrid type of specific ad valorem to enhance compliance and make these commodities affordable. I expect the implementation of these measures to significantly reduce consumption of unhygienic and dangerous illicit spirits.

Mr. Temporary Deputy Chairman, Sir, I have also proposed a number of VAT measures, which include zero-rating of gin cotton, power generators, filming equipment and services materials for green silos, insulated milk tanks and refrigerated trunks to encourage growth in the agricultural sector, promote the film industry and enhance food security.

Under Income Tax, I have proposed, amongst other things, the following measures:-

- (a) allowing investment deduction allowance of 100 per cent for film producers to promote the film industry;
- (b) allowing internet service providers to offset against their taxable income, the cost incurred in acquiring the right to use the fibre optic cable to making internet services affordable;

- (c) allowing investment deduction allowance of 150 per cent for any investor who invests not less than Kshs200 million in any satellite town around the major cities of Nairobi, Mombasa and Kisumu, to encourage and promote investment in the rural areas; and,
- (d) reduction of Withholding Tax of 15-10 per cent on interest income from long-term bonds of 10 years maturity and above, to encourage investment in long-term bonds.

I expect that all the measures that I have mentioned and others contained in the Finance Bill will go a long way in promoting growth of our industries to make them competitive; promoting tourism and the film-making industry for employment; encouraging growth of ICT and infrastructure development; promoting oil and energy exploration and power generation; to encourage growth of the agricultural sector; promoting equity and protecting the poor and vulnerable; and to encourage compliance with the tax laws.

Mr. Temporary Deputy Chairman, Sir, as I indicated during my Budget Speech, the Government recognises the many challenges we continue to face in our tax system. To this end, my Ministry has constituted a task force on tax harmonization to review and propose how best to reform our tax system to better serve taxpayers and facilitate achievement of Vision 2030.

The task force has already received numerous constructive comments, which we intend to build upon, and based on those representations, together with the international best practices, we plan to submit to this House appropriate tax measures which will enhance efficiency in our tax administration and promote economic growth and development in our country in Financial Year 2010/2011.

- Mr. Temporary Deputy Chairman, Sir, under Miscellaneous Amendments, I have proposed, amongst others, the following measures:-
 - (a) allowing for branchless banking to enable banks to extend their distribution networks;
- (b) to increase capital of stocks and investments banks from Kshs5 million to Kshs30 million to Kshs50 million and Kshs250 million, respectively, in order to adequately capitalise them; and,
- (c) restructuring the shareholding of insurance companies by a single person either directly or indirectly to 25 per cent to improve corporate governance.

These, amongst other measures contained in the Finance Bill, are the proposals that we put before this House for debate.

With those few words, I beg to move.

The Temporary Deputy Chairman (Mr. Imanyara): Mr. Deputy Prime Minister and Minister for Finance, there is no requirement for seconding this Motion, because we are in the Committee.

Hon. Members, note that under the new Standing Orders, we have begun debate on Taxation Measures, and we have two days. Today is the First Allotted Day and the final day is Tuesday, next week. Those are the provisions of the new Standing Orders. So, you have today and Tuesday next week to discuss the taxation measures.

(Question proposed)

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Temporary Deputy Chairman, Sir, I stand to support this Motion – a Motion that quite clearly states its own intentions, which are to deal with the variety of taxes that the Minister brought to this House on the Budget day.

If you look at the Financial Statement, which the Minister has also supplied to Members of Parliament, you will notice that these measures do not impose any taxation. Indeed, the reduction in taxation amounts to almost Kshs1 billion, because it is Kshs950 million. This means that the Budget is meant to promote growth and encourage production, as the Deputy Prime Minister and Minister for Finance has just said. This encourages those who have capital to bring it to Kenya for investment.

Mr. Temporary Deputy Chairman, Sir, our taxation system is such that it treats investors better than many taxation systems in other parts of the world. As a matter of fact, certain countries in Europe now have higher taxes - particularly Income Tax - than we have here in Kenya. Therefore, we should expect capital to flow from those countries into Kenya, where the investor has a better advantage. In saying this, what I want to dearly emphasise is the fact that we must revise our own policies if we want investment to come to Kenya. Indeed, that is what we want.

We have been crying that we do not have enough employment opportunities. Employment opportunities will come as a result of investment. People will not bring their capital for investment unless we, as a country, and particularly led by this House, emphasise the need for us to pursue the principles of the rule of law.

We must respect properties and lives. That is the basis on which any civilized Government does administer the affairs of its country. Therefore, we will have to decide as to which comes first; the chicken or the egg. Do we, as Members, continue to encourage our people to continue grabbing other people's properties or do we respect that property?

If you cannot respect a property because it belongs to a certain faith, you are also likely also not to respect properties of other categories. My major point here is to appeal to this House to lead by example. Employment will come from investment. Investment will not come unless there is law and order. It is our duty to encourage those we lead to respect the rule of law.

With those few remarks, I beg to support.

Mr. Shakeel: Thank you, Mr. Temporary Deputy Chairman, Sir. I rise to support the Motion. However, I wish to raise concern on our tax system. We inherited it over time. Much of the tax that is raised in this country is from the lower and middle class citizens. These are the salaried people. Businessmen get away more or less scot free. The people who pay most of the tax in this country are middle class, salaried staff and civil servants.

Mr. Temporary Deputy Chairman, Sir, many countries are now looking to see whether we are taxing the poor and allowing the rich to get away scot free. The system here is punitive to those who obey the law. Those of us who venture into business do not pay taxes.

It is high time we moved from direct and indirect taxation. We all know indirect taxation, for example, taxes given by the poorest among us. It does not affect the rich very much. Our taxation system is skewed in favour of the rich. I would urge the Minister to have a look at our tax system. He must make sure next time he is preparing the Budget, that thresholds are raised. If a certain threshold is supposed to pay certain amount of tax, it should pay.

Furthermore, Mr. Michuki has very ably mentioned that we must have a proactive tax regime. It should not jeopardize the direction of development of this country. Many countries give tax free breaks to many investors, but they balance that with other issues.

Mr. Temporary Deputy Chairman, Sir, I have over time heard and seen certain tax allocations and breaks given. However, sometimes, they are brought back in a very oppressive way. As I said, our tax regime really needs to be more proactive. We need to tax less the middle class and the salary class. We should tax more the industrial class and the rich. Our PIN numbers

can be used to show the amount of money we are spending. That can be the basis of a taxation drive.

Finally, there is VAT on certain goods which must be totally reviewed. Our system of taxation depends on usage. There are certain elements where value is added locally. Why is value added locally taxed more than value added abroad? Surely, you want to improve the capacity of our people in the *Jua Kali* trade. Surely, you want to give them more capacity to work. Therefore, VAT should not be a broad brush to affect everybody the same way.

With those comments, I support.

The Assistant Minister for East African Community (Mr. Munya): Thank you, Mr. Temporary Deputy Chairman, Sir. I would also like to thank the Minister for the taxation measures that he has decided to take that are intended to spur economic growth. As I said yesterday, most people expected him to increase the taxes. However, he decided to lower them to reduce the burden that the taxpayers have to carry, especially in these very difficult times. Our VAT still remains lower than that charged in the rest of the East African region. So we remain more competitive in comparison with other East African countries given the fact that VAT touches each and every citizen; the poor and the rich. It is laudable that he did not get tempted to increase VAT to meet the shortfall. He decided to support his Budget from borrowing locally.

Mr. Temporary Deputy Chairman, Sir, most people are complaining that consumers may not get the benefits of the deductions. This is something that has happened in the past whereby taxes are reduced, but the businessmen and manufacturers reap the benefits from the deductions. This is the fear most of us have, especially with regard to soft drinks where you will find water, for example, costing more than other soft drinks. He took the bold step of reducing the taxes, but will the consumers get the benefits?

Let him come up with measures to ensure that, that benefit is passed to the consumer. If it is not passed to the consumer, then it is better to return the price to where it was, so that the Government can make more money to invest in development other than giving that benefit to the manufacturers.

With those remarks, I support.

Mr. Mungatana: Mr. Temporary Deputy Chairman, Sir, I want to join those who have been issuing a lot of congratulations to the Minister. I would like him to listen to me and not consult too much because I have two points I would like to make.

The Temporary Deputy Chairman (Mr. Imanyara): Order, Mr. Deputy Prime Minister and Minister for Finance, the hon. Member wants you to listen to him!

Mr. Mungatana: Mr. Temporary Deputy Chairman, Sir, first, I would like to congratulate the Minister. There are two points I want to make. He has made this proposal to amend the Retirement Benefits Act.

The new regulations within the Retirements Benefits Act will require new investments by pension schemes that receive statutory contributions be put in Government securities and infrastructure bonds issued by public institutions only.

Mr. Temporary Deputy Chairman, Sir, what the Minister is saying is that all new retirement benefits schemes and all new contributions will only go to Government bonds and Government securities. This means monies from bodies like the National Social Security Fund (NSSF) that have been receiving statutory deductions will be available to the Government alone. In his answer, I want the Minister to tell us--- If you look at the NSSF, they are big players in the stock market. All these retirement benefit schemes are big players in the stock markets. What is going to happen? The Minister must surely mean that the Nairobi Stock Exchange (NSE) must

grow. Now, by this measure, he is removing all the funds making them only available to Government securities and infrastructure bonds. It is a great worry and I want him to specifically look at this and answer. What is going to happen to the stock market?

Already the trading is depressed. What I want to know in this measure that he has proposed; how is he going to take care of those concerns? First of all, what is going to happen to the stock brokers who have been trading with those huge accounts? These people are going to be denied income. The whole market is going to be depressed. What is the Minister going to do in that particular section?

Mr. Temporary Deputy Chairman, Sir, in moving the Motion, the Minister has said that in order to ensure there is proper corporate governance within the insurance industry, he has allowed shareholders to only 25 per cent. This is a very good measure and I want to laud him. This is because what he is saying is that we must have proper governance in keeping with internationally acceptable standards. The question here is very simple; there is this Association of Kenya Insurers (AKI), which recently in total disregard of what the law says, decided to punish one of its members. That particular member decided, in compliance with court orders, to still issue and offer employers liability to employees.

If the Minister is talking about improving corporate governance within the insurance industry, which is a laudable move, what is he going to do with the AKI who are trying to subvert the law? In trying to punish those who are helping Kenyans and giving insurance to disadvantaged people--- If the ultimate goal of the Minister is to show and make sure that there is proper corporate governance then he must, when responding to the Motion, talk about how he is going to deal with such people. These people are going contrary to his instruction and since he is the boss in charge of our financial sector, he needs to say something about this association which is going against what we expect as Kenyans.

Mr. Temporary Deputy Chairman, Sir, I want to thank the Minister very much because he has decided to level the playing ground for banks and other financial institutions which have been previously exempted from Value Added Tax (VAT) and those giving non-banking services. In the past, banks have been using their huge financial muscles and their ability to access high offices to muzzle other players within the financial sector. I want to congratulate the Minister because he has decided to exempt financial services from VAT irrespective of the institutions that are offering them.

I also want to thank the Minister very much because one of the things that other Members of Parliament and I have been raising here concern the way financial players, for example the Capital Market, in the way stock brokers have been failing and the way they have had little in terms of protection in case they go under. The move by the Minister to move the limit for investment from Kshs5 million to Kshs50 million and Kshs30 million to Kshs250 million is laudable. I support those two particular things.

Mr. Temporary Deputy Chairman, Sir, we should support this Motion. It is a good one. We should encourage the Minister because he has been listening to many of us. He has particularly been listening to Members of Parliament. I thank him for his first Budget. From this side of the House, we want to assure the Minister that we will always support what is good but when there is difficulty, we will point it out to him.

I beg to support.

The Assistant Minister for Trade (Mr. Omingo): Thank you Mr. Temporary Deputy Chairman, Sir, for giving me the opportunity to support this Motion on Taxation Measures moved by the Deputy Prime Ministerand Minister for Finance.

The Minister intends to finance major programmes using taxpayers' money. I want to thank him more sincerely for the move that he made, popularly known as the People's Budget. Therefore, it means that people must contribute to be able to have the programmes funded.

Mr. Temporary Deputy Chairman, Sir, I would like to ask Ministers now and in the future, to be able to incorporate all Kenyans in terms of contributions towards building the nation through the taxation measures. This can be done by ensuring that the Personal Identification Numbers (PIN) are used to fish out non-taxpayers. I am talking from a background of a former taxman. You normally go back to those who are already in the tax bracket to continue paying. However, to lighten the burden for Kenyans, we need to involve all of them through the PIN system or Kenyans carrying one identification number to contribute to the Exchequer.

The Minister moved not to punish Kenyans through high taxes. That was a welcome move given the current economic hard times.

It is also important to note that beyond the move that the Deputy Prime Minister and Minister for Finance made about the fiscal policy and programmes, as the leadership, we need to spur development by pronouncing positive issues about our country.

It is also true that the Deputy Prime Minister and Minister for Finance, among other things, intends to promote tourism. However, that can go as far as it is mentioned. How are we affecting tourism by our utterances both in public and through the media and in terms of our differences by trying to settle political scores including the note that has been circulating in this House that has sent a chilling feeling in people's spine, especially those who intend to come to this country? If leaders are not secure, then technically, any guest may feel insecure.

Beyond the fiscal measures which the Deputy Prime Minister and Minister for Finance has come up with, which we support; of promoting the growth of our tourism industry, there has to be good pronouncements from us. Our conduct and patriotism has to be seen in the international community so that we can attract international investors.

It is true that the Deputy Prime Minister and Minister for Finance tried to encourage the development of ICT given that the fiber optic cable is coming. This will go a long way to decongest our towns by availing ICT terminals in other major cities and towns and reduce the wastage which occurs in terms of traffic jams and time wasted. The man hours we waste in our congested cities are quite immeasurable. You will agree with me that Nairobi is quite unmanageable with the kind of congestion that we have.

Mr. Temporary Deputy Chairman, Sir, the Deputy Prime Minister and Minister for Finance also touched on the issue of availing banking services to the people. This is critical because most Government funding is going through some particular satellite banks. However, in some areas, there are no banking facilities and I think the Deputy Prime Minister and Minister for Finance, in his wisdom, has catered for this. That is the more reason why we need to support him. Of critical importance is the investment allowance that the Deputy Prime Minister and Minister for Finance talked about which was quite encouraging. The problem is that no one will invest in their rural setting if there are no good roads. In my opinion, I think we need to direct more attention to infrastructure so that we can have more investors establishing businesses in the rural areas and, therefore, decongest our cities. Again, most Kenyans have their rural homes. However, you will find many Kenyans coming to live in towns under dehumanizing circumstances simply because jobs are found in towns. They end up living in ghettos while they have good homes in their rural areas. Therefore, I think this was a wise move.

From a taxman's point of view, I will ask the Deputy Prime Minister and Minister for Finance to ensure that the reductions he made on the tax measures are transferred to the people

that are supposed to benefit. For example, when he talked about zero-rating, from the taxman's point of view, it means that you should not pay anything for procuring a service and then claim whatever you have input in terms of procuring the services you are selling. This taxpayer enjoys double benefits. How do we ensure that the benefits go to the consumer who was supposed to benefit from this? Zero-rating means that you do not charge Value Added Tax (VAT) on the services you are selling out and yet you may claim what you paid when you procured what you are selling. This cost implications trickle down to our people.

Overall, the Deputy Prime Minister and Minister for Finance did a good job. In future, I will request him to be more modern and bring out these issues on Power Point Presentation so that people do not start napping after having a heavy lunch but remain focused and glued to the screen. That is a new technique that the Deputy Prime Minister and Minister for Finance can use to improve the presentation of his Budget and make it juicier.

The only biggest problem that the Deputy Prime Minister and Minister for Finance must grapple with and must address, and which he will address with all the expertise he has, is the issue of mopping out liquidity to finance this Budget. The issue may have its own repercussions but he has people behind him. He can juggle the lever and come up with a positive Budget.

Finally, Mr. Temporary Deputy Chairman, Sir, inspiring investment and growth goes beyond pronouncements. We also want to have Kenyans adding value to their products from within so that they can spur growth in the rural set up. That can only be done when good infrastructure has been put in place.

With those few remarks, I support.

Mr. Ogindo: Thank you, Mr. Temporary Deputy Chairman, Sir for this opportunity to make a few comments on tax proposals. I want to start by commending the Deputy Prime Minister and Minister for Finance for a job well done. This is quite unprecedented. Every time we have had Budgets, we have had tax increases. What we are seeing today are tax reductions. This is an indication that the Deputy Prime Minister and Minister for Finance quite accurately appreciates how saturated our tax levels are.

The revenue in taxation is not necessarily brought by the size of the tax but more importantly, in the volume of business. The measures taken are meant to provoke business so that we tap the volume of business. I am particularly encouraged by the reduction on the tax charged on the interest on long-term bonds. That is very encouraging because if we are to raise funds at the minimum risks of subjecting this country to inflationary tendencies, then the bonds is the way to go. That is very encouraging. The second issue is the desire of the Deputy Prime Minister and Minister for Finance to promote the cotton sector. I find it slightly contradictory that the Deputy Prime Minister and Minister for Finance has zero-rated the Import Duty on synthetic yarn as much as he has also zero-rated the VAT on cotton products. This is counterproductive because cotton is facing competition from synthetic yarn. If we reduce tax on both directions, then the impact and the goal is lost.

The other issue is about the Sugar Development Levy (SDL). I pointed out yesterday that

(Mr. Mungatana consulted with the Deputy Prime Minister and Minister for Finance))

Mr. Washiali: On a point of order, Mr. Temporary Deputy Chairman, Sir. I wanted to request hon. Mungatana to allow the Deputy Prime Minister and Minister for Finance to listen to the contributions.

The Temporary Deputy Chairman (Mr. Imanyara): Mr. Washiali, that point has been well taken. I was about to point out that fact. Mr. Mungatana, please, allow the Deputy prime Minister and Minister for Finance to listen to the contribution of the hon. Member. Mr. Ogindo is the Chairman of the Budget Committee.

Mr. Ogindo: Thank you, Mr. Temporary Deputy Chairman, Sir, for guaranteeing me the ear of the Deputy Prime Minister and Minister for Finance.

I was pointing out that in my contribution yesterday, I tried to persuade the Deputy Prime Minister and Minister for Finance to reconsider his decision to reduce or eliminate the SDL. In the sugar growing areas, this levy is very important because as we speak today, the sugar industry is on its knees. We need every cent to try and develop that sector. The SDL which the Deputy Prime Minister and Minister for Finance seeks to eliminate is very critical for the millers and the farmers in this country. Part of the money generated from the SDL is used in the rehabilitation of factories, expansion of roads, research and in cane development. As we speak, the SDL generates at least 20 per cent of the Sugar Board revenue. It generates about 20 per cent of the levy on the imported sugar. The decision to eliminate the SDL in the sugar sector will mean that the temptation will be to import industrial sugar and convert it to table sugar. The risk is that we will kill our sugar industry. I strongly persuade the Deputy Prime Minister and Minister for Finance to seriously reconsider the reduction on the Sugar Development Levy.

Mr. Temporary Deputy Chairman, Sir, over and above that, I would also like to commend the Deputy Prime Minister and Minister for Finance for having zero-rated duty on bicycles. This will really improve transport in the rural areas. It will also engage a few of our youths who will find the bicycles affordable. In that direction, I think the Deputy Prime Minister and Minister for Finance has done well. I would like to rest my case at that point.

Mr. Temporary Deputy Chairman, Sir, I beg to support.

The Temporary Deputy Chairman (Mr. Imanyara): Mr. Deputy Prime Minister and Minister for Finance, it appears as if nobody else wants to contribute. So, could you reply?

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Thank you very much, Mr. Temporary Deputy Chairman, Sir. I would like to say that I have taken note of the comments made by the hon. Members.

On the issue raised by Mr. Mungatana with regard to the National Social Security Fund (NSSF), first and foremost, I would like to clarify that the issue we are referring to relates basically to new and not old investments.

As I stated in my Budget Speech, there are serious issues of governance in some of these bodies. There is need for us to rein in and protect the pensions and savings of our hardworking Kenyan people. This is necessary as we move forward to strengthen governance in various institutions that receive statutory contributions. I do not believe that the level of new investments we target to be put into Government securities is of a magnitude that would, in any way, have any impact on the capital markets.

Mr. Temporary Deputy Chairman, Sir, with regard to the AKI Insurance Agency, that is an issue I undertake to look into as we move forward.

Issues were also raised with regard to the fact that our tax system is skewed against the middle and lower incomes as a result of our current configuration. However, even when I moved the taxation proposals earlier this afternoon, I indicated that we have a taskforce that is working.

I said that the taskforce has already begun receiving numerous representations both from industries and citizens. As I said earlier, we are also looking at international best practice. The idea is to ensure that by the time the next Budget is read in this House, we will take care of some of the issues that have been raised with a view of improving not just the investment climate, but making our tax regime more simplified and wider, where we can. We will also reduce incidences or possibilities of evasion as a result of the tax burden being considered to be too heavy.

Mr. Temporary Deputy Chairman, Sir, finally, the Chairman of the Budget Committee referred to the Sugar Development Levy. We are not saying whatsoever that the Sugar Development Levy does not play an important role in the development of the sugar industry or sugar growing in our country. The proposal to remove an element of the Sugar Development Levy from imported industrial sugar is because we do not grow this sugar. We also have to look at the consumer. We find it unfair that the consumers of soft drinks and other such items that use this sugar should be made to pay that extra amount and yet, as a nation, we do not grow that sugar-cane. We do not intend---

Mr. Washiali: On a point of order, Mr. Temporary Deputy Chairman, Sir. Is the Deputy Prime Minister and Minister for Finance in order to mislead this House by saying that they are looking at the consumer when industrial sugar also ends up on the tables of hotels?

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Temporary Deputy Chairman, Sir, to ensure unscrupulous business people do not use industrial sugar for other purposes other than what I have stated, we plan to only allow this facility to be used by licensed and gazetted users of industrial sugar. It is not open to anybody. It is specifically meant for the users of that commodity who use it to make confectionery or soft drinks. As I stated earlier on, we hope this will lead to a reduction in the prices of those commodities to the Kenyan consumer. So, I would like to assure my colleague, Mr. Washiali that we plan to put in place measures to protect the abuse of that system.

Mr. Temporary Deputy Chairman, Sir, with those few remarks and taking into account other remarks made – and I am sure we will contribute more during the Committee stage – I beg to move.

(Question put and agreed to)

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

(Question proposed)

(Question put and agreed to)

(The House resumed)

[Mr. Deputy Speaker in the Chair]

REPORT

APPROVAL OF TAXATION MEASURES

Mr. Imanyara: Mr. Deputy Speaker, Sir, I beg to report that the Committee of Ways and Means has considered the proposals relating to Exercise Duties, Value Added Tax, Income Tax and Miscellaneous Fees and Taxes and approved the same without amendment.

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution. The Minister for Environment and Mineral Resources (Mr. Michuki) seconded.

(Question proposed)

Mr. Ogindo: Thank you, Mr. Deputy Speaker, Sir. I wish to disagree with the Report. I have pointed out here before that I trust the Deputy Prime Minister and Minister for Finance is keen in ensuring that the business of the consumers of the industrial sugar is promoted. I want to emphasize those millers and farmers in this country are critical members of this society. They also deserve to be safeguarded. True to his words, we do not grow industrial sugar in this country. Most of our production here is table sugar. We really need to protect our farmers and millers. It is on that account that I would want to continue persuading him to try to strike a balance to ensure that we do not protect the manufacturing industry here while we are killing farmers and our indigenous millers. On that account, I beg to disagree.

(Question put and agreed to)

ADOURNMENT

Mr. Deputy Speaker: Hon. Members, that concludes the business on the Order Paper. Therefore, the House stands adjourned until Tuesday, 23rd June, 2009 at 2.30 p.m.

The House rose at 4.40 p.m.