

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 25<sup>th</sup> August, 2010

The House met at 9.00 a.m.

*[Mr. Deputy Speaker in the Chair]*

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

Report of the Department Committee on Local Authorities on the scrutiny of Annual Estimates for the year 2010/2011 for:-

- (i) Vote 12 – Office of the Deputy Prime Minister and Ministry of Local Government.
- (ii) Vote 57 – Ministry of Nairobi Metropolitan Development.

*(By Mr. Gabbow)*

### QUESTION BY PRIVATE NOTICE

#### CRITERIA FOR IDENTIFYING BENEFICIARIES OF PRESIDENTIAL PARDON

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

(a) Is the Vice-President aware that the recent wave of armed robbery within Matuu Town has been due to the recent release of hardcore criminals from prison through a presidential pardon?

(b) Could the Vice-President indicate the criteria used to identify the beneficiaries of Presidential Pardon?

(c) What measures is the Government taking to ensure that only petty offenders benefit from presidential pardon?

Mr. Deputy Speaker, Sir, I do not have a written answer but---

**Mr. Deputy Speaker:** Order, hon. C. Kilonzo! When it is a Question by Private Notice, you do not need to have a written answer.

Proceed, Mr. Vice-President!

**The Vice-President and Minister for Home Affairs** (Mr. Musyoka): Mr. Deputy Speaker, Sir, I wish to seek the indulgence of the Member for Yatta regarding this Question because my office is desperately trying to work out a proper answer. I want to be able to stand here and assure this House and particularly assure the residents of Yatta that their security is guaranteed along the lines that hon. C. Kilonzo seeks.

**Mr. Deputy Speaker:** Hon. C. Kilonzo, indeed, the Chair has had communication from the Vice-President's Office and the Question will be answered in the second round.

## ORAL ANSWERS TO QUESTIONS

### *Question No.169*

#### PROGRESS REPORT ON MZIMA PHASE I PROJECT

**Mr. Mwakulegwa** asked the Minister for Water and Irrigation whether she could give an update on the progress of repairs on the Mzima Phase I Project, in view of the persistent water shortages in the Coast region.

**Mr. Mwakulegwa:** Mr. Deputy Speaker, Sir, I do not have a written answer.

**Mr. Deputy Speaker:** Do you wish to continue to prosecute the Question in the absence of a written answer?

**Mr. Mwakulegwa:** Yes, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Proceed, hon. Assistant Minister!

**The Assistant Minister for Water and Irrigation** (Mr. Kiunjuri): Mr. Deputy Speaker, Sir, I apologize for the Member not having a written answer.  
I beg to reply.

The Mzima Phase I Rehabilitation Project is a major component of the Kenya Water and Sanitation Service Improvement Project under the combined Kenya Government, French Government and World Bank funding of Kshs7 billion. The Mzima Phase I Rehabilitation Project will utilize Kshs1.3 billion out of the total funding. The project is being implemented through the Coast Water Services Board.

Regarding the status of implementation, prequalification of contractors was done on 12 November, 2009 and tenders were issued to prequalified contractors on 5<sup>th</sup> March, 2010 and were closed on 26<sup>th</sup> April, 2010. The evaluation was done and recommendation of award made. The Ministry is waiting for a "no-objection" from development partners whom we are collaborating with in the funding of the works. The Coast rehabilitation works, when completed, will improve the performance of the pipeline system liability and give an additional 5.0 million litres of water per day into the supply system.

Mr. Deputy Speaker, Sir, further, Coast residents will enjoy relief resulting from additional water supply of 51.2 million litres per day, once the following other components of the project are completed:-

- (i) Rehabilitation of the Baricho Waterworks;
- (ii) Rehabilitation of Tiwi Boreholes and Likoni Pipeline;
- (iii) Rehabilitation and expansion of Marere Pipeline;
- (iv) Rehabilitation of Mombasa reticulation system to improve service access and reduce water losses; and,
- (v) Rehabilitation of water supplies in Voi, Hola, Kwale, Kilifi, Malindi and Lamu towns.

Lastly, these works are expected to be completed by June, 2014. However, the components that target to increase water supply to Mombasa, namely, Baricho, Tiwi Boreholes, Likoni Pipeline, Marere Pipeline and Mombasa Reticulation are expected to be completed much earlier; by December 2011.

**Mr. Mwakulegwa:** Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for that answer. Voi is located very close to Mzima which is the source of this water, but we have constant water shortages. What is the problem between the main line and the distribution point in Voi? Is it due to mismanagement? What is the problem because there is water on the main pipeline but there is no water in Voi Town?

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, I would like to say that when the main line was being constructed, some areas were overlooked. That happened not only in Voi, but also in some areas in Ukambani. Most areas in Ukambani are set to benefit from that water. However, right now, we have not been able to make plans to enable the people of Eastern Province to enjoy using that water. But as you have seen, we have set aside Kshs7 billion. The first project will cost Kshs1.3 billion. We will make sure that the Kshs7 billion will not only be used to take water to Mombasa. There is no point of taking water through a distance of 220 kilometres in a straight line to Mombasa and yet, the neighbourhood communities do not have water. We will take that into consideration.

**Mr. C. Kilonzo:** Mr. Deputy Speaker, Sir, as much as the Assistant Minister may want to take care of the communities living near the pipeline, we have seen before that the minute you tamper with the intended purpose of the project and start diverting water to cater for other people, the project fails. A good case is the Kilimanjaro Water Project which was meant to provide water to Machakos Town. Why can the Government not consider a separate programme for those areas in Ukambani and leave that specific project to take water directly to Coast Province? The Government should come up with an entirely different project to serve the areas in Ukambani as opposed to tampering with that line.

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, we already have a line. The line only requires rehabilitation. We probably need to change some of the pipes. For example, if the pipes there are eight inches in diameter, we might be forced to put 14 inch pipes so that we get more water to distribute. So, we are dealing with the main line. We cannot take water 220 kilometres away while the people in the neighbourhood have no water. There is a lot of interest between Rift Valley Province, Eastern Province and Coast Province with regard to the source of the water - Kyulu Hills. Those are some of the issues that we are looking at.

**Mr. Chanzu:** Mr. Deputy Speaker, Sir, one of the problems that the Ministry is facing is lack of capacity. What is the Assistant Minister doing to ensure that the Ministry has adequate capacity for follow up action? When those programmes are carried out and the figures are broken down, there is no one to give that information due to lack of capacity in the Ministry.

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, many of us have been there for a long time. The Ministry has really improved. We have the capacity. I can assure you of that. However, it should be realized that, that project is funded jointly by the French Development Bank, World Bank and the Kenyan Government. The issue here is whether the contractor will be able to rise to the occasion. I am already worried! For example, the contractor who is likely to win the tender for that project is Victory Contractors. We know the work that he has been doing all over the country. All his projects have been stalling and he has got more than five of them. The contractor has tendered and he has won again. Those are some of the issues that this House must address promptly. This House must evaluate the contractors in this country so that even if they win contracts, we can cancel them. That is the danger, Mr. Mwazo. It is upon you now because if that contractor wins, and with all the stalled projects he has in the country, the Ministry will be blamed for non-completion.

**Mr. Deputy Speaker:** Mr. Assistant Minister, the hon. Member is hon. Mwazo and not Mr. Mwazo. Not on the Floor of the House.

**Mr. Mwakulegwa:** Mr. Deputy Speaker, Sir, the Assistant Minister has said that Victory Contractors have failed elsewhere. He has then said that he is about to be given that contract. Why would you give the contract to do the Mzima Springs Phase I repairs to someone who has a record of failing?

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, laws are made in this Parliament. We have the Procurement Appeals Board. If somebody has tendered and won – we would like to get some advice from you, Mr. Deputy Speaker, Sir, and other lawyers in the House – you have no right to say that he will not be awarded the contract. It is upon the House now to deal with these issues. I am not talking about that contractor only. At the end of the day, we are not all experts in that field. The people have all avenues to appeal against it.

**Mr. Chanzu:** On a point of order, Mr. Deputy Speaker, Sir, I think the Assistant Minister does not understand the point that is being raised. The committee that awards tenders relies on the recommendations from the Government civil servants. So, if they point out that a contractor has failed, why should they not understand? I think the Assistant Minister is not in order.

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, I am quite in order. I am the one who raised this issue. At the end of the day, we have done our work, prepared the tender documents and done evaluation. That is our work. Our work is not to look at whether a contractor is qualified or not. That is not our work. The only way we can deny him an opportunity to construct that pipeline is by blacklisting him. The contractor has not been blacklisted and, therefore, he qualifies to tender for any job that is being offered by the Government of Kenya. If we deny him an opportunity, we shall be accused by this House of flouting the laws. I raised an issue of concern and the House must rise to the occasion and do its work. Do not expect the Minister to do something that will conflict with the existing laws.

**Dr. Monda:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to inform the House that, that contractor is under-performing and has projects that have stalled before? With that kind of background information, is he in order to tell us that they are prepared to have the same contractor take up that big project and mess up the country once again to the tune of Kshs7 billion?

**Mr. Deputy Speaker:** Mr. Assistant Minister, for the benefit of the Chair, who would blacklist the company? Not Parliament, I hope?

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, it is not Parliament. There is a difference between raising a concern and informing the House. I only raised a concern. I did not inform the House. The issue of who should blacklist the companies can originate from this House. The House has a relevant committee that can deal with that. Then other relevant authorities would deal with it.

**Mr. Chanzu:** On a point of order, Mr. Deputy Speaker, Sir. The registration of water contractors is done by the Ministry of Water and Irrigation. It is the Ministry that does the registration and deregistration. How does the matter come to Parliament? Is he in order?

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, our work is to issue the relevant documents. For example, when you apply to be a contractor, we look at your profile and ascertain whether you are qualified to be a contractor. We can only issue you with a licence. However, when we tender and someone has a licence - either classes A, B or C which we require - that person is allowed to tender. The Ministry can only originate the issue of blacklisting a contractor if the contractor has done a job with us. If we are not satisfied, we can have him or her deregistered. That contractor

has not done any works with us. We know that he is in road construction and other areas. That is why I raised a concern. However, I think it is important to go to the question, now that the Assistant Minister has proved to be in order in all the points of order that have been raised.

**Mr. Gabbow:** Mr. Deputy Speaker, Sir, we know that contractors are prequalified every year. There are some inter-ministerial reports which show the status of the contractors in every given year. Have you sought that information, so that you do not keep on prequalifying that contractor every year?

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, prequalification is done for items in many categories. There is a prequalification that is done by the Ministries. For example, the prequalification done under the National Water and Pipeline Company require contractors who can offer their services in the course of the year. However, there are some prequalifications and qualifications that are international. For example, this is an issue dealing with the World Bank, the French Development Bank and the Government of Kenya. That is above us. They would call for international bidders. In this case, an international bidding was done and we had no control over who tendered.

**Mr. Mwakulegwa:** Mr. Deputy Speaker, Sir, the Coast Water Services Board, which is supposed to oversee the construction and repairs of this pipeline, does not have the capacity to do so. It does not have a managing Director and terms of office for half of the Board members have expired. Does it have the capacity to oversee repairs worth Kshs7 billion?

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, this House should be informed that the project that we are dealing with, worth Kshs7 billion, will benefit the whole of Coast Province. We are undertaking to rehabilitate about eight main lines, namely, the rehabilitation of the Baricho Water Works, Mzima Pipeline, Tiwi Boreholes and Likoni Pipeline. There is also the rehabilitation and expansion of Marere Pipeline and the improvement and rehabilitation of the Mombasa Water and Sanitation Services. That is the only component that will be undertaken by the Mombasa Water Services Board. We have the rehabilitation and expansion of six water service providers, namely, Hola, Lamu, Malindi, Kwale, Voi and Kilifi. This is a major project. It is only important that we all get involved and make sure that the Coast Province people get reliable water supply.

*Question No.277*

FUNDS FOR CONSERVATION OF WETLANDS

**Mr. Deputy Speaker:** Question No.277 by hon. Lagat! We will come back to the Question.

Next Question!

*Question No.279*

RELEASE OF SEWAGE INTO LAKE NAIVASHA BY NW&S COMPANY

**Dr. Otichilo** asked the Ministers for Environment and Mineral Resources:-

(a) whether he is aware that Naivasha Water and Sewerage Company is releasing raw sewage into Lake Naivasha and, if so, why no action has been taken to stop the pollution of the lake; and,

(b) what damage control the Ministry is undertaking to restore the lake and what plans are in place to compensate the fishermen for loss of income.

**The Assistant Minister for Environment and Mineral Resources** (Mr. Kajembe): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am not aware that Naivasha Water and Sewerage Company (NWSC) is releasing raw sewage into lake Naivasha. The company treats waste water at its treatment plant before discharging it into the lake. However, my officers visited and inspected the plant on 4<sup>th</sup> December, 2009. After analyzing the findings of the inspection, the company was on 31<sup>st</sup> December, 2009, instructed to increase the capacity of the treatment plant with a view to reducing its overload. The company did not comply. Consequently, the National Environment Management Authority (NEMA) instituted legal proceedings against the company in March, 2010. The matter is still pending in a court of law. Further, we have passed information to the Ministry of Public Health and Sanitation with a request that the Ministry takes up the matter as a health issue, given the possible health consequences if the situation is allowed to continue.

(b) My Ministry has developed the Lake Naivasha Management Plan, which will ensure sustainable management of the lake. However, the same is yet to be implemented due to a pending court case against it. On the compensation of the fishermen for loss of income, there is no evidence that they have been adversely affected in any way.

**Dr. Otichilo:** Mr. Deputy Speaker, Sir, from the answer given, it is clear that the Assistant Minister is admitting that the NWSC is releasing raw sewage into Lake Naivasha. He is admitting that my allegations are correct. What damage control measures has the Ministry put in place? If we are going to await the outcome of the court case, what will happen to the lake? What damage control measures is the Ministry putting in place in the meantime?

**Mr. Kajembe:** Mr. Deputy Speaker, Sir, allow me to repeat what I said. The NWSC is not releasing any raw sewage into the lake. We have taken the company to court, not for discharging raw sewage, but because its treatment plant cannot take a big load. We advised them on what to do. However, they did not comply and that is why we took them to court.

**Dr. Otichilo:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister says the treatment plant is not able to treat the raw sewage. So, the load that goes into the lake is still high. So, in essence, the raw sewage goes into the lake. Is he in order to say that, that is not the case?

**Mr. Deputy Speaker:** Hon. Assistant Minister, indeed, you are out of order in this! You cannot, on one hand, admit that the treatment plant does not have the capacity to treat raw sewage and, on the other hand, say that no raw sewage is being discharged into the lake. The purpose of a treatment plant, if the little knowledge that we have of treatment plants serves us right, is to treat the raw sewage and then discharge it into the lake.

Mr. Kajembe, proceed and give the House a proper answer on that!

**Mr. Kajembe:** Mr. Deputy Speaker, Sir, the Government has advised the sewerage company what to do. What is being discharged into Lake Naivasha is very “skeleton”, with no raw sewage being discharged. My officers have advised the NWSC to expand its treatment plant to be able to treat any load of raw sewerage.

**Mr. Gabbow:** On a point of order, Mr. Deputy Speaker, Sir. Meanwhile, what is happening to the raw sewage which cannot be absorbed by the treatment plant? The Assistant Minister is talking about the expansion of the treatment plant, which has not taken place.

**Mr. Deputy Speaker:** Where is the raw sewage being discharged, hon. Assistant Minister, if not into the lake?

**Mr. Kajembe:** Mr. Deputy Speaker, Sir, what is being discharged into Lake Naivasha is very “skeleton”.

**Mr. Imanyara:** On a point of order, Mr. Deputy Speaker, Sir. You have asked the Assistant Minister where the raw sewage is being discharged. He is talking about skeleton. What kind of “skeleton” is he talking about?

**Mr. Kajembe:** Mr. Deputy Speaker, Sir, I am saying that raw sewage is being treated, but the plant can only do it in a very skeleton way. We have advised the NWSC to expand the treatment plant, so that they can treat all the raw sewerage. Whatever is not treated cannot go through the plant.

**Mr. Mwathi:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister is notorious for evading answering supplementary questions in this House. He is telling us clearly that the treatment plant cannot treat all the discharge. Where is the discharge which is not being treated going to? He has been asked this question three times. Is he in order to avoid answering that question?

**Mr. Deputy Speaker:** Hon. Assistant Minister, you owe the House a proper answer! Proceed and answer the question!

**Mr. Kajembe:** Mr. Deputy Speaker, Sir, before the treatment plant, there is a pond into which raw sewage is discharged. Then they feed the treatment plant to capacity and discharge to the lake. That is what is happening. Even as I speak, my officers are on the site advising them. There is nothing wrong going on there.

**Mr. C. Kilonzo:** Mr. Deputy Speaker, Sir, the Assistant Minister has been in this House on another case in Mombasa where hotels were discharging raw sewage into the ocean. He answered the Question in the same way. When he finally went there to verify the facts, he had to come here and apologise, because he confirmed that it was, indeed, true. He has said that what is being treated is basically a small amount – what he is calling “skeleton”. So, in a sense, much of the raw sewage is going into the lake. What we are asking him is to basically assure this House that the Government – leave alone the company, because this matter is too big for the company – is going to get involved in this issue and ensure that raw sewage does not flow into the fresh water lake.

**Mr. Kajembe:** Mr. Deputy Speaker, Sir, reference to what I said in the past should not be the case, because I always say what I know, and nothing but the truth. On this matter, my officers are now asking the company to expand the treatment plant. Something is being done, but now that---

**Mr. Mututho:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister should go to Naivasha and verify the facts. The truth is that raw sewage is going into the lake. There is nothing but the truth in my statement. Is he in order to constantly mislead this House that raw sewage is not finding its way to Lake Naivasha?

**Mr. C. Kilonzo:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister has said that they have advised the company to take a loan from a bank. If the company applies but is not given the loan, what will happen? Why can the Government not take this matter seriously? Is he in order to take this matter lightly?

**Mr. Deputy Speaker:** Mr. Assistant Minister, it is the lives of Kenyans which are at stake.

**Mr. Kajembe:** Mr. Deputy Speaker, Sir, I did not talk of the company getting a loan from a bank. That statement did not come from my mouth. Somebody else is putting his words into my mouth.

Mr. Mututho has said that I should go to Naivasha to verify the facts. We have competent officers out there. We are happy with the job they are doing. If this House is going to order me---

**Dr. Eseli:** On a point of order, Mr. Deputy Speaker, Sir. I rise to seek guidance from the Chair. When we, Members of the Back-Bench, ask Questions it is because we have identified a problem. If the Question is not adequately answered, it does not solve the problem. We do not ask Questions just for the fun of it. Is the Assistant Minister in order to keep on going round and round instead of addressing the issue? He has just said that they have competent officers on the ground. If there is a problem, it means that the competence of his officers is being questioned. So, he should personally go to the site and verify the situation. Is he in order to continue evading questions?

**Mr. Deputy Speaker:** Mr. Assistant Minister, under the circumstances, the Chair directs that this Question appears on the Order Paper next week on Tuesday. The Assistant Minister had better come with an answer which essentially states the facts as they are, and tells the House what action his Ministry is taking on this very serious matter. In the meantime, the Chair directs the relevant Departmental Committee to hastily carry out its own investigations and report back to the House.

*(Questioned deferred)*

*Question No.300*

ACCESSIBILITY OF “ADJUVANT” MALARIA  
VACCINE FOR CHILDREN

**Mr. Odhiambo** asked the Minister for Public Health and Sanitation:-

(a) whether Kenya has access to “ADJUVANT”, the new vaccine to help fight malaria in children;

(b) what vaccines are currently in use by the Government to contain malaria in children and how many are recognized by the World Health Organization (WHO); and,

(c) what plans are in place to ensure that the drugs are availed to health institutions, especially in malaria prone constituencies.

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

(a) There is currently no vaccine licensed for prevention of malaria. However, there are candidate vaccines in various stages of clinical trials. This research is being carried on in 14 countries in Africa, and its results are expected to be out in the year 2013. If the trials turn out to be successful, it is anticipated that the first vaccine to be licensed for malaria prevention in children will become available from the year 2015.



(b) The Government of Kenya is not using vaccines as a tool for malaria prevention in children, because none has yet been approved for that use. Currently, there is no vaccine licensed for the prevention of malaria in children.

(c) My Ministry is a stakeholder in the current vaccine research that is ongoing, and the relevant organisations are working on frameworks for incorporation of a malaria vaccine into routine immunization schedule for children in malaria-prone areas, if and when the vaccine is approved for use in this age group.

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Odhiambo:** Mr. Deputy Speaker, Sir, now that the Assistant Minister says that there is no approved vaccine against malaria, and given that malaria is a disease which kills so many children, particularly in malaria-prone areas like Butula and some parts of Nyanza Province, what measures is the Ministry putting in place to reduce the rate of deaths caused by malaria?

**Dr. Gesami:** Mr. Deputy Speaker, Sir, it is true that malaria is the number one killer disease in this country. However, for the last ten years, we have had a lot of improvement in terms of bringing the malaria death rate down in this country. There are various strategies we have put in place. One of them is efficient management of malaria cases. The second one is sleeping under mosquito nets. The third one is residual insecticide spraying. There are many other strategies in terms of prevention in pregnant women. We have put all those measures in place, and we have seen good results. So, we will continue using the strategies that we have put in place until when we get the vaccine we are looking for.

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Letimalo:** Mr. Deputy Speaker, Sir, I would like to know from the Assistant Minister whether the “ADJUVANT” vaccine really exists in the world and why it is not being used in Kenya, considering the fact that malaria is a major killer disease in the country?

**Dr. Gesami:** Mr. Deputy Speaker, Sir, “ADJUVANT” is not a vaccine. It is any chemical or biological molecule that can be added into an existing vaccine to make it more efficient and effective. So, there is no vaccine called “ADJUVANT”.

Thank you, Mr. Deputy Speaker, Sir.

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

**Mr. Odhiambo:** Mr. Deputy Speaker, Sir, the Assistant Minister has told this House the steps he is taking to reduce the rate of deaths caused by malaria. Can he give us a specific percentage he has achieved in terms of reduction of the deaths caused by malaria?

**Dr. Gesami:** Mr. Deputy Speaker, Sir, I can be very specific and say that we have reduced the deaths of children by up to 44 per cent.

## COMMUNICATION FROM THE CHAIR

### ETHIOPIAN/DJIBOUTIAN DELEGATIONS IN SPEAKER’S ROW

**Mr. Deputy Speaker:** Hon. Members, before we proceed on to the next Question, I wish to introduce to you and welcome delegates from the House of Representatives of Ethiopia and the Djibouti National Assembly, who are seated on the Speaker’s Row. They are:-

1. Hon. (Amb.) Teshome Toga, MP, Speaker of the House of Representatives of Ethiopia;
2. Hon. Kawaliye Hussein Omar, MP, Deputy Speaker of Djibouti National Assembly;
3. Hon. Omar Aden Said, MP, Djibouti National Assembly;

4. His Excellency Disasa Dirribsa, Ambassador of the Federal Democratic Republic of Ethiopia;

5. Mr. Bourhan Daoud Ahmed, Secretary-General, IPU-IGAD, and

6. Mr. Ato Ieyasu Kasshun, Assistant to the Ethiopian Speaker.

They have been in the country since Monday, 23<sup>rd</sup> August, 2010 attending the Fourth Session of the Executive Council of IPU-IGAD member states. The delegation leaves the country today, 25<sup>th</sup> August, 2010.

On behalf of the Kenya National Assembly, and on my own behalf, I wish the delegation a happy stay in Kenya and a safe journey back home.

Thank you.

*(Resumption of Oral Answers to Questions)*

*Question No.335*

#### REPAIR OF RUMURUTI-MARALAL ROAD

**Bi. Leshomo** alimuuliza Waziri wa Barabara:-

(a) kama ana habari ya kwamba barabara ya Rumuruti-Maralal haipitiki kwa sasa; na,

(b) hatua ambayo Serikali itachukua ili kuhakikisha kwamba barabara hiyo imewekwa lami.

**The Minister for Roads** (Mr. Bett): Bw. Naibu Spika, naomba kujibu.

(a) Nina habari kwamba sehemu kadhaa za Barabara ya Rumuruti-Maralal C77 zimeharibiwa na mvua, sawa na barabara zingine katika sehemu nyingine za nchi.

(b) Wizara yangu imetayarisha mchoro wa kuweka lami barabara hii na inatafuta pesa pamoja na wafadhili ili kuanzisha mradi wa kuweka lami. Hata hivyo, ningependa kusema kwamba tumeweka kiwango cha kshs30 milioni kwa awamu hii ya fedha kugharamia ukarabati ili barabara hii iweze kupitika na kutumika bila shida kwa wasafiri.

**Ms. Leshomo:** Bw. Naibu Spika, ninashukuru Waziri kwa kukubali kwamba barabara hiyo ni mbaya. Tumezungumza sana juu ya Barabara ya Rumuruti-Maralal. Hii barabara haipitiki tangu mvua inyeshe na watu wanalala huko kwa sababu hakuna barabara nyingine ya kupitia. Mwenye kupewa kandarasi alimwaga maram na hakuitandaza. Kama mwanze kupewa kandarasi alimwaga maram, inakuaje Wizara inatoa tingatinga ya kumwaga maram? Ningependa Waziri ajibu maswali hayo kwa sababu kuna shida.

**Mr. Deputy Speaker:** Bw. Waziri, jibu swali hilo!

**Mr. Bett:** Bw. Naibu Spika, ninafikiri ni maswali wala si swali.

Ningetaka kurudia kwamba tunafahamu kwamba barabara hiyo imeharibika na ni tatizo kwa wasafiri kutoka Rumuruti-Maralal. Nimesema kwamba tumetenga kiasi cha Kshs30 milioni, na awamu ya kwanza imeenda kwa mwanakandarasi kwa jumla ya Kshs14 million na wanaendelea kukarabati sehemu ya Naibor. Huyo ndiye mwanakandarasi ambaye Mheshimiwa amesema kwamba anamwaga maram. Nitatuma maofisa wa Wizara kuangalia vile anavyofanya lakini lazima mtu alete maram aweke kwa barabara kabla ya kutandaza. Hakuna njia nyingine. Hiyo murrum inahesabiwa ili ijulikane kwamba mwenye kandarasi anafanya vile inavyotakikana yaani anaweka maram ambayo ni kiasi kilichotiwa sahihi katika kandarasi. Mimi nitachukua jukumu la kwenda kuangalia barabara hiyo. Lakini ningependa kumjulisha Mheshimiwa kwamba

nimeenda huko mara mbili kuangalia hiyo barabara na daraja ambazo zimeharibika na ninashughulikia jambo hilo.

**Mr. Letimalo:** Bw. Naibu wa Spika, Waziri amesema kwamba ametenga Kshs30 milioni kwa ukarabati wa barabara hii akiendelea kutafuta wafadhili wa kuweka lami. Kwa vile Waziri amekubali kwamba barabara haipitiki, hata juma lilolipita hatungeweza kufika kwa harusi kwa sababu magari mengi yalikuwama, je ni lini ataanza ukarabati akizingatia kwamba barabara haipitiki na ndiyo peke yake ambayo watu wa Maralal wanategemea kupata bidhaa kutoka Nyahururu na sehemu zingine?

**Mr. Bett:** Bw. Naibu Spika, nimesema kwamba mwanakandarasi ameanza kazi na hilo pia limeshibitishwa na Mbunge ambaye ameuliza swali hili. Alisema kwamba mwanakandarasi ameanza kumwaga maram kwa barabara hiyo. Hii inamaanisha kwamba kazi imeanza. Hii itasaidia na wananchi hawataendelea kuwa na taabu. Barabara hiyo imeshughulikiwa. Hata hivi majuzi nilienda nchi ambayo tunatarajia kwamba itatufadhili ili tuweze kutengeneza barabara hii. Tulitia sahihi makubaliano ili waje kutusaidia kutengeneza barabara hiyo. Kwa hivyo, ninaamini kwamba hivi karibuni, watakuja na tutangeneza hiyo barabara.

**Ms. Karua:** Bw. Naibu Spika, ningependa kuuliza Waziri swali hili. Shida ya barabara kama hiyo na zinginezo katika maeneo mengine ni mafuriko wakati wa mvua. Je, Waziri anashirikiana na Wizara ya Maji ili waweze kujua vile wataweza kubadili njia ya mafuriko ili yawe bahati kwa wakaazi wa sehemu hizo wakati wa kiangazi na pia kulinda barabara ambazo wanatengeneza?

**Mr. Bett:** Bw. Naibu Spika, hilo ni swali nzuri. Tumekuwa tunawaza kama tunaweza kushirikisha, si Wizara ya Maji pekee bali Wizara ya Mazingira na Madini, Wizara ya Ardhi na Wizara ya Kilimo ili tushirikiane na kupambana na mafuriko ya mvua kwa sababu yanaharibu barabara sana. Kwa hivyo, hilo ni swali nzuri na ninalitilia maanani. Ninasema hivyo kwa sababu ukiangalia Barabara ya Narok-Mai-Mahiu inahusu Wizara hizo zote. Wakati ilipotengenezwa hawakuzingatia milima na wakati maji yalikuja yalibomoa barabara kama bado inajengwa. Kwa hivyo, tuko na hilo wazo na tutalifuatilia ili tusaidiane.

**Mr. Mung'aro:** Bw. Naibu Spika, Bw. Waziri amekubali kwamba barabara nyingi nchini humu zinataka ukarabati kwa sababu zimeharibiwa na mvua. Je, ni hatua gani ambazo amechukua kukarabati hizi barabara kwa sababu imekuwa ni shida haswa kule Malindi?

**Mr. Bett:** Bw. Naibu Spika, upungufu wa pesa hauturuhusu kutengeneza barabara zote ambazo zimeharibiwa na mvua. Lakini ningependa kuwahakikishia kwamba tunaendelea kukarabati barabara na pesa tunazopewa na Hazina kuu ya Serikali.

**Mr. Gaichuhie:** Asante, Bwana Naibu Spika. Kwa sababu mhandisi ambaye anasimamia barabara hiyo amekadiria kwamba itagharimu Kshs60 milioni na hivi sasa, Waziri ametuambia kuwa ametenga Kshs30 milioni. Je, pesa hizo zingine, Kshs30 milioni, zitapatikana lini? Pia, tunataka aelewe kwamba kuna majambazi wengi katika barabara hiyo. Kwa hivyo, ningeomba atafute pesa kwa haraka na atueleze itamalizika lini ili majambazi waache kuwatisha wananchi.

**Mr. Bett:** Asante, Naibu wa Spika. Sijasema nimetenga Kshs60 milioni. Nimetenga Kshs30 milioni mwaka huu na nimetoa awamu ya kwanza ya Kshs14 milioni na kazi hiyo inaendelea. Sijasema kwamba hizo Kshs30 milioni ni mwisho. Tunafanya kazi na tukiona kuna haja ya kuongeza, tutajikaza kutafuta pesa ili ujenzi huo ukamilike.

**Mr. Gabbow:** Bw. Naibu Spika, kandarasi hiyo itakamilika lini?

**Mr. Bett:** Ni kandarasi ya miezi sita hadi tisa.

**Mr. Chanzu:** Asante, Bwana Naibu Spika. Waziri amezungumza kuhusu uhaba wa pesa, lakini shida kubwa ambayo tuko nayo kwa barabara ni kuwa wamhandisi wetu hawatembelei

barabara hizi ili kuzikagua mara kwa mara. Kukiwa na shida kidogo, wanaweza kuirekebisha kabla haijakuwa kubwa. Waziri atafanya nini ili tuwe na ukaguzi wa mara kwa mara ili kama shida ni kidogo inaweza kurekebisha kabla haijakuwa kubwa kuhitajii pesa nyingi?

**Mr. Bett:** Asante, Bwana Naibu Spika. Hilo ni swali nzuri sana. Hivi karibuni, nitawasilisha Mswada hapa Bungeni; Engineers Bill. Ninawaomba Wabunge wapitishie Mswada huo. Uhandisi ni muhimu sana kwa utekelezaji wa barabara. Kwa hivyo, tumeunda sheria ya kuhakikisha kwamba mhandisi ambaye anafanya kazi katika sehemu fulani anatii sheria hiyo na anakuwa na heshima kwa kazi yake. Pili, wakati kazi inaendelea kwa barabara, inabidi mhandisi huyo afanye kazi jinsi inavyotakikana bila kuchelewa. Hivyo ndivyo ilivyo katika sheria hiyo. Ninaomba Wabunge wapitishie Mswada huu utakapowasilishwa hapa Bungeni ili tuwe na barabara nzuri.

**Ms. Leshomo:** Asante, Bwana Naibu Spika. Nashukuru Waziri kwa kukubali kwamba barabara hiyo iko katika hali mbaya. Waziri amesema kwamba wataweka barabara hiyo mchanga mpaka Naibor. Kwa nini Wizara haiwezi kutengeneza barabara hii mpaka Maralal? Pia, ningependa Waziri atengeneze barabara hiyo wakati huu kwa sababu ni mbaya zaidi. Je, Waziri atachukua hatua gani ili kuhakikisha kuwa wananchi wanasafiri salama kwa sababu kuna majambazi wengi katika barabara hiyo? Watu wengi wameuawa katika barabara hiyo na wengine kuporwa mali zao. Pia, kuna wanyama pori katika barabara hiyo. Juzi, wanafunzi ambao walikuwa wanatoka hapa waliponea kifo. Wanafunzi hao walivamiwa na simba ambao walizuia basi lao. Kwa bahati nzuri, jirani ambaye ni mzungu aliwaokoa. Waziri atachukua hatua gani ili kuhakikisha kwamba watu wetu wanasafiri bila uwoga?

Pia, Waziri amesema kwamba ameenda huko mara nyingi lakini ameenda kwa kutumia ndege. Hakuenda kwa gari. Ningependa Waziri atembelee sehemu hiyo kwa kutumia gari ili ajionee jinsi watu wanavyoteseka kwa barabara kwa muda wa siku tatu au zaidi. Ningependa aende tu na gari kwa sababu akienda kwa miguu hatafika. Tunaona uchungu sana kwa sababu hatuna pahali pa kupita. Ningependa pia kuomba Waziri aende sehemu hiyo ili ajione vile daraja zote zimeharibika katika eneo hilo. Daraja zingine zimesombwa na maji.

Bwana Naibu Spika, ninakuomba ukubali nilete picha ya barabara hiyo ili muone vile wananchi wanakaa. Ni kama kwamba sisi tuko Uganda. Hatuko hapa Kenya.

*((Dr. Wekesa) stoop up in his place)*

**Mr. Deputy Speaker:** Order, Minister Wekesa! Waziri wa Barabara, jibu maswali yote ambao yameulizwa na Mheshimiwa Leshomo!

**Mr. Bett:** Bwana Naibu Spika, maswali yote ni swali moja. Hivyo ndivyo nimesikia mimi mwenyewe. Ningetaka kutoa hakikisho kwa Mheshimiwa Leshomo. Kama ni kwenda kwa mguu, awe tayari aende na miguu, twende pamoja; kama ni kwenda kwa piki piki awe tayari ili twende pamoja; kama ni kwenda kwa gari awe tayari twende pamoja. Niko tayari kwenda huko. Pili, barabara itakarabatiwa kutoka Rumuruti mpaka Maralal lakini tumeanzia Naibor wakati huu. Hiyo haimaanishi kwamba tutamalizia Naibor. Itaenda kutoka Maralal mpaka Rumuruti na itabidi tutumie pesa ambazo tumetenga mpaka mwisho wake. Ikiwa hazitatosha, itatubidi tutafute pesa zingine ili tumalize ukarabati huo vizuri. Ningetaka kuwapa pole watu wa Samburu kwa sababu ya shida ambazo wanakumbana nazo wakienda au wakitoka kwao. Nitajaribu kabisa kusaidiana na wao.

**Ms. Karua:** Hoja ya nidhamu, Bwana Naibu Spika. Kwa vile Waziri amekubali kuwa ataenda katika eneo hilo akitumia gari, ingekuwa vizuri kama angetuambia hapa ni siku gani atazuru sehemu hiyo kwa sababu wengi wetu tutaenda huko kama mashahidi.

**Mr. Deputy Speaker:** Mheshimiwa Waziri, tupe hakikisho ni lini utakwenda kwa barabara hiyo kwa maana umetoa hakikisho kwamba utaenda huko?

**Mr. Bett:** Bwana Naibu Spika yule ambaye ameniomba---

**Mr. Deputy Speaker:** Mheshimiwa Leshoma amesema kwamba yuko tayari kwenda nawe.

**Mr. Bett:** Na mhe. Karua yuko tayari!

**Ms. Leshomo:** Niko tayari, Bwana Naibu Spika, kwenda hata leo!

**Mr. Bett:** Bwana Naibu Spika, lazima nirudi kwa Wizara ili niangalie vile kazi ilivyo huko halafu nitarudi hapa Bunge kutoa tarehe yenyewe ya kuenda huko.

**Mr. Deputy Speaker:** Mheshimiwa Waziri, umeahidi kwamba kesho jioni utaeleza Bunge ni lini utaenda huko. Utapeana hakikisho ni lini utakwenda maanake utakuwa umekubali.

**Mr. Bett:** Asante, Bwana Naibu Spika, naitikia mwito wako.

*Question No.343*

LACK OF WAITING LOUNGE AT JKIA

**Mr. Kombo** asked the Minister for Transport:-

(a) whether he is aware that passengers on transit through the Jomo Kenyatta International Airport (JKIA) have no waiting lounge;

(b) whether he is further aware that the working station for immigration officers at JKIA is too small hence hampering effective clearance of passengers; and,

(c) what the Government is doing to rectify the above to ensure services at JKIA meet international standards.

**Mr. Deputy Speaker:** The Minister for Transport!

The Minister is not here! Next Question by Mr. Charles Nyamai!

*Question No.344*

CAUSE OF POWER DISRUPTION WITHIN KITUI TOWN

**Mr. Nyamai** asked the Minister for Energy:-

(a) to explain the cause of frequent electricity power disruptions within Kitui Town and its environs; and,

(b) what mechanisms he is putting in place to correct the problem.

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Kitui and Mwingi are supplied with electricity from Kindaruma Dam by a 33KV line. The main cause of power interruption is transformer vandalism. For example, in the last one month and a half, 14 transformers were vandalized in Kitui and its environs. On July 26<sup>th</sup> 2010, the 2.5 megavolt amps transformer at Kitui 3311KV primary sub-station failed due to vandalism,

putting the whole of Kitui Town in darkness. The transformer was replaced with a similar one on July 27<sup>th</sup> 2010.

(b) My Ministry is putting in place the following measures: We have upped the *Mulika Mwizi* campaign to sensitize the community to assist in deterring the vandals. We are repositioning the transformers to more secure areas like people's compounds and guarded public facilities. We are also pursuing introduction of non-oil cooled transformers. This will sharply reduce vandalism given the fact that current high frequency vandalism is largely associated with decanting of oil from transformers. It will also be difficult for vandals to access transformer copper wiring.

Finally, my Ministry through the Kenya Power and Lighting Company Limited (KPLC) is approaching the Government to categorize vandalism as an economic sabotage crime and subsequently enhance the punishment to offenders commensurately.

**Mr. Nyamai:** Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for his answer. However, his answer is not satisfactory. This is because it has been like a rehearsed answer whenever a question comes up on loss of power. Nevertheless, could he tell this House specifically which of these steps he has taken to ensure Kitui does not suffer and what results they have yielded?

**Eng. M.M. Mahamud:** Mr. Deputy Speaker, Sir, I said that we are upping the campaign for *Mulika Mwizi* countrywide because vandalism is not only confined to Kitui. In fact, in the last one month and a half, in Kitui alone, there were about 14 vandalized transformers. So it is a serious matter. The issue of replacing our transformers with non-oil cooled transformers is being pursued. It is more expensive and transformers of that kind are rare. These are steps we are looking at as a Ministry.

**Mr. Nyamai:** On a point of order, Mr. Deputy Speaker, Sir. I asked the Assistant Minister for specific steps they have taken for Kitui and Mwingi and he is still talking about the general intentions that they have. Could he give us what they have done specifically for Kitui and Mwingi?

**Eng. M.M. Mahamud:** Mr. Deputy Speaker, Sir, we replaced the vandalized transformers. Theft, however, must be stopped by the people themselves.

**Mr. Wambugu:** Mr. Deputy Speaker, Sir, the Assistant Minister said there is a programme he calls *Mulika Mwizi* to assist in the reduction of vandalism of transformers. Who is involved in this programme? Is the provincial administration involved in this programme that the Assistant Minister is talking about?

**Eng. M.M. Mahamud:** Mr. Deputy Speaker, Sir, the KPLC Limited is running the programme. You can see it on our national television; the programme is on.

**Mr. Pesa:** Mr. Deputy Speaker, Sir, the Assistant Minister has said here that this is a countrywide problem and, indeed, it is. What action has the Ministry taken to ensure that we do not only replace the transformers which are vandalized but we also arrest and charge those people who carry out this exercise?

**Eng. M.M. Mahamud:** Mr. Deputy Speaker, Sir, I said that, that is one of the areas we are pursuing; to change the law so that we punish these people. Most of the time, we do not see the people who do the work. In fact, we only realize after the transformers have been vandalized and power fails. We would like to appeal to Kenyans to be alert and report these cases to the police.

**Mr. Pesa:** On a point of order, Mr. Deputy Speaker, Sir. I do not agree with the answer given by the Assistant Minister. He is saying that we do not know these people because maybe

they do it at night. However, could he confirm to this House whether or not it is in order to mislead the House? In the past, the Ministry has reported that they found some of the vandalized transformers in some places. Therefore, those are the people who have vandalized them. How can the Assistant Minister say they do not know them?

**Eng. M.M. Mahamud:** Mr. Deputy Speaker, Sir, I think there were cases of people arrested. Generally transformers are vandalized and the copper wire stolen and we only realize when the power fails. So we are usually not there when they are doing that action.

**Mr. James Maina Kamau:** Mr. Deputy Speaker, Sir, I would like the Assistant Minister to tell this House why it takes so long for them to replace stolen transformers. Kenyans continue to suffer each day.

**Eng. M.M. Mahamud:** Mr. Deputy Speaker, Sir, transformers are very expensive items. We are also in the process of connecting other Kenyans. We are replacing transformers or installing transformers on new lines. It takes time because we also take time to procure them.

**Mr. ole Lankas:** Mr. Deputy Speaker, Sir, the Assistant Minister in his response says that the people should take care of transformers. This means that the security of the transformers should be in the hands of the people. Is he right because the role of the Kenya Police and other security agencies is to protect property and lives? Is the Assistant Minister saying that the Government is subjugating its role of protecting property? This issue of transformers is a very serious national issue.

**Eng. M.M. Mahamud:** Mr. Deputy Speaker, Sir, transformers are public utilities. They are owed by the public. I do not think we all need the police to safeguard the safety of transformers. The public must have a culture change so that they do not vandalize their own things. However, I said that we try to secure these transformers by putting them in compounds of institutions.

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

**Mr. Nyamai:** Mr. Deputy Speaker, Sir, now that the KPLC Limited and the Rural Electrification Authority (REA) have ordered for transformers in the recent months, could he specify how many of these are water cooled? Out of the water cooled transformers, how many are destined for Mwingi and Kitui?

**Eng. M.M. Mahamud:** Mr. Deputy Speaker, Sir, that is a different question. I will answer it when it is put accordingly.

**Mr. Baiya:** On a point of order, Mr. Deputy Speaker, Sir. The supplementary question the Assistant Minister is reluctant to answer has arisen as a result of the answer he gave to the main Question. He said that one of the strategies they have employed is to use non-oil cooled transformers. We want to see how serious they are. Could he indicate how many of these transformers they have procured and what time they have to do it?

**Eng. M.M. Mahamud:** Mr. Deputy Speaker, Sir, I have not given that answer. The numbers are not part of the answer.

**Mr. Mututho:** Mr. Deputy Speaker, Sir, is the Assistant Minister in order to affirmatively state that he does not have that answer and, at the same time, not indicate when he is going to supply that answer to the House?

**Mr. Deputy Speaker:** Eng. M.M. Mohamud, since you have given an indication that you intend to switch to non-oil transformers, you have must---

**Eng. M.M. Mohamud:** Mr. Deputy Speaker, Sir, if I go back to my answer, I said that we are pursuing the introduction of non-oil cool transformers. That does not mean that we have already bought them.

*Question No.346*

DELAYED DISBURSEMENT OF FREE  
PRIMARY/SECONDARY EDUCATION FUNDS

**Mr. Chanzu** asked the Minister for Education:-

(a) whether he is aware that continued delays in disbursement of free primary and secondary education funds is adversely affecting the running of schools;

(b) whether he is also aware that, as a result of the delays, most of the schools are unable to meet their financial obligations such as payment to their suppliers; and,

(c) what action he will take in view of the situation?

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, Sir, I would like to beg the indulgence of this House to get a little more time. This is a very serious matter. We do not want schools to open before the disbursements. I have spoken to the hon. Member. I have scheduled a meeting with my officers so that I can give a very adequate and relevant answer. The answer I have here is inadequate!

**Mr. Deputy Speaker:** When do you wish to give the answer? How much time do you want?

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, Sir, I beg to be given up to Tuesday next week.

**Mr. Deputy Speaker:** Mr. Chanzu, are you happy with that?

**Mr. Chanzu:** Mr. Deputy Speaker, Sir, when I discussed this matter with the Assistant Minister, he promised to give the answer tomorrow afternoon.

*(Laughter)*

It is a very urgent matter! I agreed on the understanding that he was going to give the answer tomorrow afternoon. He has that information in the records in the office.

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, Sir, that is true. We had agreed that tomorrow would be adequate.

*(Laughter)*

But I have since found out that the relevant officer is not in the office. So, I cannot have a meeting with the officer today. I will have that meeting tomorrow. That is why I have changed it to Tuesday.

**Mr. Deputy Speaker:** In any case, the next business day after tomorrow afternoon is Tuesday. Did you say Tuesday morning or afternoon?

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, Sir, Tuesday afternoon!

**Mr. Deputy Speaker:** Yes, we have only one Sitting on Tuesday. Fair enough! The Chair directs that this Question appears on the Order Paper on Tuesday afternoon.



*(Question deferred)*

*Question No.349*

#### MEASURES TO CURB SPREAD OF “THE ROUGH DWARF” MAIZE DISEASE

**Mr. Deputy Speaker:** Next Question by hon. Peris Chepchumba. Is Ms. Chepchumba by any chance out of the country or inside the country on any serious official parliamentary business? She is not here and so, the Question is dropped!

**Mr. Mututho:** On a point of order, Mr. Deputy Speaker, Sir. Whereas it is within the Standing Orders for a Question to be dropped, this Question spells disaster. The hon. Member, who is a Member of my Committee, must be on official duty because she is very faithful. I would seek the indulgence of the Chair not to drop the Question and, instead, have it, perhaps, on Tuesday. This Question spells disaster if, indeed, that disease has come within our borders.

**Mr. Deputy Speaker:** The Question is dropped. But if the hon. Member is able to give an adequate reason why she is not here this morning to ask her Question, it will be reinstated.

**The Minister for Forestry and Wildlife (Dr. Wekesa):** On a point of information, Mr. Deputy Speaker, Sir. I am aware that the hon. Member is on parliamentary business in western Kenya. Two days ago, the Parliamentary Committee was in my constituency.

**Mr. Deputy Speaker:** Which Parliamentary Committee?

**The Minister for Forestry and Wildlife (Dr. Wekesa):** The Departmental Committee on Lands and Natural Resources. It was heading towards Mumias.

**Mr. Deputy Speaker:** Fair enough. If that is the case, the Question will be reinstated once the hon. Member is able to indicate when she will be here on the Floor of the House.

*(Applause)*

*(Question deferred)*

#### QUESTION BY PRIVATE NOTICE

##### CRITERIA FOR IDENTIFYING BENEFICIARIES OF PRESIDENTIAL PARDON

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

(a) Is the Vice-President and Minister for Home Affairs aware that the recent wave of armed robbery within Matuu Town has been due to the recent release of hardcore criminals from prisons through a Presidential Pardon?

(b) Could he indicate the criteria used to identify the beneficiaries of the Presidential Pardon?

(c) What measures is the Government taking to ensure that only petty offenders benefit from Presidential Pardon?

**Mr. Deputy Speaker:** Mr. C. Kilonzo, I am made to understand that you have an understanding with the Vice-President and Minister for Home Affairs that this Question appears on the Order Paper tomorrow afternoon?

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

**Mr. Deputy Speaker:** Fair enough! It is so directed that the Question appears on the Order Paper tomorrow afternoon.

*(Question deferred)*

*(Resumption of Oral Answers to Questions)*

*Question No.277*

FUNDS FOR CONSERVATION OF WETLANDS

**Mr. Deputy Speaker:** Is Mr. Lagat here? Is anybody in possession of information that indicates that Mr. Lagat is on serious parliamentary business either inside or outside the country? Under the circumstances, the Question is dropped!

*(Question dropped)*

*Question No.343*

LACK OF WAITING LOUNGE AT JKIA

**Mr. Kombo** asked the Minister for Transport:-

(a) whether he is aware that passengers on transit through the Jomo Kenyatta International Airport (JKIA) have no waiting lounge;

(b) whether he is also aware that the working station for Immigration Officers at JKIA is too small hence hampering effective clearance of passengers; and,

(c) what the Government is doing to rectify the above to ensure services at JKIA meet international standards.

This is the second time I am asking this Question!

**Mr. Deputy Speaker:** The Minister for Transport? The Chair sometimes gets the feeling that Ministers are happy with sanctions because then they have an opportunity not to answer more Questions.

*(Mr. Mwatela crossed the Floor)*

Mr. Mwatela, are you appearing on behalf of your colleague the Minister? I thought you rose and you wanted to catch the Speaker's eye.

**The Assistant Minister for Education** (Mr. Mwatela): No, I did not; I was just coming to this other side.

**Mr. Deputy Speaker:** You are on the wrong side of the House! Prof. Anyang-Nyong'o, do you have any information on your colleague?

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, I will undertake to inform the Minister about the Question on the Order Paper. But I do believe that because there is a Cabinet Meeting at 12.00 p.m. and there was a special issue the Minister was handling, maybe that is the reason he is not here.

**Mr. Deputy Speaker:** That is not a good reason for the Minister not to be here. He has an Assistant Minister, in the very least, to perform these duties. The Chair directs that this Question appears on the Order Paper tomorrow morning. The Chair has given sanctions time and again and, until and unless we are able to reform our Standing Orders further such that the sanctions can be biting, the Chair sometimes gets the feeling that Ministers are happy with the sanctions the way they are right now under the current Standing Orders. Nonetheless, the Question will appear on the Order Paper tomorrow morning!

*(Question deferred)*

Next Order!

## MINISTERIAL STATEMENT

### ENHANCEMENT OF NHIF CONTRIBUTIONS

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, yesterday, I requested to make a Statement to the House on the issue of the National Health Insurance Fund (NHIF). As you know, there has been a lot of public debate in the recent two weeks on the NHIF regarding the publication in the *Kenya Gazette* of the new contributions to the Fund. This has been a genuine concern. Hon. Members know that quite frequently, they have themselves, approached the Minister to waive hospital fees for patients in various hospitals and this, perhaps, is one of the reasons why NHIF has been studying, over a long period of time, how to enhance health financing so that Kenyans can have access to health-care in a much more user friendly way.

So, I would like to take time this morning to provide the House with some information that can help us understand the issues at hand and further, sometime last week, Dr. Khalwale requested the Minister to give---

**Mr. Deputy Speaker:** Order, Prof. Anyang'-Nyong'o! Who sought this Ministerial Statement?

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, Dr. Khalwale, in his contribution to the House requested the Minister---

**Mr. Deputy Speaker:** Under the circumstances, it is only fair that this Ministerial Statement be delivered when Dr. Khalwale is on the Floor of the House here.

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, that is just one of the issues. But there has been a lot of discussions by the public, through the Press and even editorials in the newspapers requesting that the Minister makes clear what is happening in the NHIF. I discussed with the Speaker yesterday and he assured me that I should make this Statement this morning.

**Ms. Karua:** On a point of order, Mr. Deputy Speaker, Sir. Since the Minister is mentioning Dr. Khalwale in his Statement, is it possible that it be deferred to next week? It is a matter of public knowledge that Dr. Khalwale is involved in his election petition. That would be nice!

*(Applause)*

**The Minister for Medical Services** (Prof. Anyang-Nyong'o): Mr. Deputy Speaker, Sir, I just mentioned Dr. Khalwale as one of the interested parties. It is not the principal reason why I am making this Statement. I am making this Statement in---

**Dr. Monda:** Mr. Deputy Speaker, Sir, would I be in order to ask that the Minister comes out clearly on whether it is Dr. Khalwale who sought the Ministerial Statement or it is the Minister's own Ministerial Statement that he wants to make, so that we do not mix two issues?

**Mr. Deputy Speaker:** Order. Hon. Minister, indeed, it is true that the matter has generated a lot of public interest. It is true that Ministers can come on the Floor of the House and give Statements on the basis of what they assume at that time to be a matter of national interest. The House has got its business which is conducted in the manner that the House has done it. This Ministerial Statement is as a consequence of a Ministerial Statement that was sought by Dr. Khalwale.

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, I am making this Ministerial Statement as the Minister for Medical Services. I only mentioned that when I was watching television reporting parliamentary debates, Dr. Khalwale also mentioned the issue in the House. When I discussed this issue with the Speaker, I drew his attention---

**Mr. Mbadi:** On a point of order, Mr. Deputy Speaker, Sir. I really do not want to challenge the comments by the Chair but I think yesterday there was a Ministerial Statement which was delivered here, which had been sought by Mr. Olago. I think the precedent has been that when it comes to Ministerial Statements the person who raises it does not have to be in the House for the Ministerial Statement to be delivered, for it is the property of the House. So, I think even if Dr. Khalwale had sought this Statement, it is still in order for the Minister to give it to the House even in the absence of Dr. Khalwale, in view of precedent.

**Mr. Baiya:** Mr. Deputy Speaker, Sir, if you look at the way the issue of National Hospital Insurance Fund arose, it was by way of rules that were made. Under the General Interpretation and Prohibitions Act, Cap.2 the Minister is also required to table such rules before this House. This problem is arising precisely because the Ministers have actually adopted a tradition of bypassing Parliament and not tabling rules here for scrutiny by this House. That is why this problem has arisen. Could the Minister first of all, table those rules here for scrutiny by this House?

**The Assistant Minister for Lands** (Mr. Bifwoli): On a point of information, Mr. Deputy Speaker, Sir. I think we should commend this particular Minister, because for the first time instead of giving road show information to the public, he has come here to give information to the National Assembly. We should commend him instead.

**Mr. Deputy Speaker:** Order! That is a point of argument. It is not a point of information.

Hon. Members, the records of the House do not indicate that Dr. Khalwale sought a Ministerial Statement on the Floor of the House. He might have talked about the issue in the process of contributing to a Motion or a Vote. So, under the circumstances, the Minister should proceed and issue his Statement.

Proceed, hon. Minister.

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, hon. Members will recall that in 2004 the Government presented to this House a Bill on National Social Health Insurance in Kenya with the main aim of providing quality health-care to all Kenyans. This Bill never came into law because there were issues that were thought not to have

been fully considered; more importantly, its sustainability within the Kenyan situation was doubted.

As a result of this setback, the then Ministry of Health in 2007 invited stakeholders to discuss and agree on how to develop a more sustainable medium to long-term health-care financing strategy that would address the needs of all Kenyans, especially the poor. This was later reinforced by the Kenya Vision 2030 that called for the development of an equitable and affordable health-care system of the highest quality. The Vision 2030 further called for the shifting of resources from curative to promotive and preventive health-care. The Vision also recognized a healthy workforce as a prerequisite for socio-economic development of the country as had been observed in the economic strategy recovery paper that I developed when I was the Minister for Planning and National Development in the year 2003.

Subsequently, a broad-based task force was established to collect evidence for the development of the strategy. The task force commissioned a number of studies to provide the necessary information. These studies included the National Health Accounts for the Year 2005/2006, the Costing Study and Model, the Public Expenditure Tracking Survey as well as the Annual Ministerial Public Expenditure Reviews among other activities.

Mr. Deputy Speaker, Sir, the results from some of the surveys do indicate that households contribute 36 per cent of total health expenditure, mainly through out-of-pocket spending, while the Government and donor contribution is 29 and 31 percent respectively.

Although the Government budget has increased in absolute terms, it has varied between 8 per cent and 5.2 per cent between 2004 and 2010. These levels remain well below the Abuja Declaration commitment of 15 percent of public expenditure on health.

The results further indicate that the poor utilize fewer health services as they are less likely to seek treatment when ill compared to the better off. Those who seek health-care leave huge unpaid bills in our health facilities. At the moment, the unpaid bills amount to a total of Kshs800 million in all our hospitals, and that money has to be found somewhere else.

They are, therefore, lucky to have the National Hospital Insurance Fund, which was established several years ago, to ensure the health of Kenyans, or so that they can have access to health-care without leaving huge unpaid bills in the hospitals, thereby, grounding the work of these hospitals and making it difficult for the Government to find year after year, the money that is needed to take care of the health of Kenyans.

Mr. Deputy Speaker, Sir, I would therefore, like to concentrate now on the initiatives that the National Hospital Insurance Fund has taken to enhance health insurance, and to ensure that Kenyans, both rich and poor, can have access to health-care.

The National Hospital Insurance Fund is a national medical insurance fund that is managed by a board of management, whose membership is drawn from major stakeholders. Members of the board of management include the following:- a chairman appointed by His Excellency the President, a representative from the following organizations and societies: the Central Organization of Trade Unions of Kenya, the Kenya National Union of Teachers, the Federation of Kenyan Employers, farmers' unions, civil society, the Association of Kenya Insurers, the Permanent Secretaries in the Ministries of Medical Services, Public Service and the Treasury, the Director of Medical Services, the Chairman of the Kenya Medical Association and the representatives of the faith-based charitable health providers.

The National Hospital Insurance Fund is, therefore, a statutory scheme for the salaried workers and voluntary for the informal sector workers. It provides a family-based cover for the contributor, spouse, children and dependent parents or guardians. At the moment, the National

Hospital Insurance Fund covers 23 percent of Kenyan population. Members and workers make monthly contributions that are based on a graduated contribution scale that was set up and operationalised in 1989. This two decade old scale gives the lowest contribution at Kshs30 for those earning Kshs1000 per month, the highest contribution being Kshs320 for whoever earns more than Kshs15,000. Members in the informal sector pay Kshs160 per month.

Mr. Deputy Speaker, Sir, you realise that those earning more than Kshs15,000 now are very many. It means that I who earns about Kshs800,000 pay the same amount as my driver and housemate. I do not think that is an equitable way of contributing to the National Hospital Insurance Fund (NHIF). It has, therefore, been necessary, after more than 20 years of having that scale for the NHIF to revise these scales in view of the increased costs of living and also purchasing power parity. Benefits that are supposed to be enjoyed by the beneficiaries are stipulated in Section 22 of the NHIF Act, Act No.9 of 1998 as quoted inter alia and I quote:-

“The Board shall pay from the Fund benefits declared hospitals for expenses incurred at those hospitals by any contributor; his name, spouse, child or other named dependent. Subject to such limitations as maybe imposed under Subsection 3, the medical or health-care expenses referred to in Subsection 1 shall cover both in-patient and outpatient medical care”

Mr. Deputy Speaker, Sir, you realise that todate the NHIF has only been covering in-patient care, therefore, not living upto the standards that were set by this Act passed by this Parliament. It has been necessary, therefore, over the last four years, for the NHIF to look into ways and means of providing both in-patient and outpatient care, after proper actuarial studies have been done. Outpatient like in-patient is considered as the most integral part of medical health-care, yet the NHIF has never offered this since its inception.

Mr. Deputy Speaker, Sir, 75 per cent of Kenyans seek outpatient health-care. The NHIF which, therefore, caters for only in-patient care ignores 75 per cent of the population it should be taking care of. It has been, therefore, my humble duty as the Minister to ensure that the NHIF responds to this noble duty to the nation.

The requirement of the above quoted section is in line with the provisions of the new Constitution of Kenya, Section 43 and Kenya Vision 2030 that identifies the health sector as an essential component of national development.

In that regard, I would like to quote to the House what Section 43 of the Constitution says and why, therefore, we have been proactive in ensuring that the NHIF is prepared. Forewarned is to be a fore prepared. Section 43 of the Constitution says:-

“Every person has the right—

(a) to the highest attainable standard of health, which includes the right to health-care services, including reproductive health-care;”

Mr. Deputy Speaker, Sir, in another section, this Constitution gives a Kenyan citizen the right to take the Government to court if it does perform the functions as enshrined in the Constitution. The new Constitution of Kenya grants rights to the highest attainable standards which includes rights to health-care services including reproductive health-care services. On the other hand, the overall goal in Kenya Vision 2030 is to improve the health outcomes and indicators of Kenyans by shifting focus from curative to preventive and promotive health-care. It also identifies the NHIF as a flagship project for the year 2012. It is on this basis that the Board of Management of NHIF for the last four years have taken major deliberate steps in preparation of the roll-out of outpatient medical health-care service to its members countrywide. The Board of Management took cognisance of the fact that the NHIF has no experience in running and

costing of outpatient services. They also noted that it is the riskiest part of health-care insurance and sustainability of the Fund was paramount.

**Mr. Baiya:** On a point of order, Mr. Deputy Speaker, Sir. As you can see the time the Minister has actually taken on the Floor to issue his Ministerial Statement, it is quite apparent that it is like he is moving a Motion in this House to support the regulations that were made. It is like he wants to get the support of this House after the decision has been made. I am saying that this is unprocedural in the sense that he ought to have tabled those---

**Mr. Deputy Speaker:** Order, hon. Baiya! The Minister is making a Ministerial Statement on his own volition. The matter you are raising right now can be raised later. What you need to do is listen to it very well and seek clarifications on the basis of its contents.

Proceed, Minister!

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Deputy Speaker, Sir, from the foregoing, the Board of Management mitigated the above risks by undertaking a study tour to ten countries that have implemented outpatient scheme with a success. An actuarial study by an international firm was commissioned by the NHIF to determine the administration sustainability and costing of outpatient services. The report of the actuarial study done by Alexander Forbes Consultants and Actuaries showed that outpatient medical health-care services can be done. The Board of Management decided to phase it out with a pilot project as a precursor to the eventual roll out.

It is, therefore, not true that we are doing these things without a proper actuarial study. Alexander Forbes which is a well known actuaries company has in actual fact done a study which the Board has used to roll out outpatient cover. In this roll out, 200 members and beneficiaries in Nairobi and Mumias were sampled for this pilot that took eight months from 1<sup>st</sup> December, 2009 and it is now complete. It is on the basis of that actuarial study that we are now asking Members to make their contributions, so that the NHIF can do both inpatient and outpatient insurance. The project was successful and the Board of Management gazetted a new contributions rate and commencement of the outpatient services.

Mr. Deputy Speaker, Sir, the process from inception has involved study tours which I myself have taken with officials of the Ministry to Europe to look at such services in Britain, German and France. As I mentioned, we have now gazetted the beginning of the outpatient cover from the 1<sup>st</sup> October, 2010.

Mr. Deputy Speaker, Sir, on 30<sup>th</sup> November, 2009, the NHIF launched outpatient cover in Mumias Town through live television coverage. On that day, the management made it clear that an eventual roll out will require an increase of contributions rates for sustainability. The NHIF went further to advertise in both radio and television on what this meant to contributors. The pilot project went on for eight months and the Board of Management was appraised on a monthly basis. In the Board of Management, all the stakeholders I mentioned are represented. They were impressed by the management and preparedness of the Fund handling phase one of the outpatient project. On June 24<sup>th</sup> this year, the Board resolved to roll out the outpatient services from 1<sup>st</sup> September this year in accordance with the mandate given to the Board by an Act passed by this Parliament.

The services to be enjoyed by members are very important and I want to mention these services because they are of interest to the hon. Members who everyday are bothered by their own constituents to pay for these services from their own pockets. These services will now be paid for by the NHIF. They are the following:- General consultation with general practitioners, prescribed laboratory tests and investigations, drugs and medicines, prescribed X-Rays and ultra

sound, diagnosis and treatment of common ailments, treatment of sexually transmitted infections, treatment, dressing or diagnostic testing, health and wellness education, clinical counselling services, family planning and ante natal care.

With regard to in-patient services, the current comprehensive services will be enhanced to include the following:-

(i) Inclusion of dialysis and subsidized transplant costs. Currently dialysis is costing Kshs15,000 in private hospitals and Kshs5,000 in Kenyatta National Hospital (KNH). It will now be covered by the National Hospital Insurance Fund (NHIF), including transplant. At the moment, transplant of kidneys at the KNH costs Kshs800,000. In India, it costs Kshs2 million. I am ready to table in this House documents showing the amount of money the Government has been spending in the form of ex-gratia to take our people for treatment abroad. In other words, this means exporting our pathologists.

(ii) Inclusion of common surgeries and comprehensive cover.

All these will be given by the NHIF given the following contributions by members. I want Members to listen carefully because there has been a misconception in the Press that everybody is going to pay Kshs2,000. That is not true. The payments are graduated now from those earning less than Kshs5,999 to those earning over Kshs100,000. I want to read very carefully the brackets so that we understand.

For those earning less than Kshs5,999, they will pay Kshs150 a month. In other words, if you are a family of five and you pay Kshs150 a month, you will be paying an equivalent of Kshs5 a day for your whole family to get access to those services I have mentioned. Those earning from Kshs6,000 to Kshs7,999 will pay Kshs300 a month while those earning Kshs8,000 to Kshs11,999 will pay Kshs400 a month. For those earning Kshs12,000 to Kshs14,999, they will pay Kshs500 a month; Kshs15,000 to Kshs19,999 - Kshs600 a month; Kshs20,000 to Kshs24,999 - Kshs750 a month; Kshs25,000 to 29,999 - Kshs850 a month; Kshs30,000 to 49,999 - Kshs1,000 a month; Kshs50,000 to 99,999 - Kshs1,500 and those earning Kshs100,000 and above will pay Kshs2,000 a month - That is you and I. The self-employed people will pay Kshs500 and the indigents or voluntary contributors will pay Kshs300 a month.

Mr. Deputy Speaker, Sir, at the moment, in terms of national statistics, people who are in employment (not businesspersons or those privately employed) and earning Kshs100,000 or more in Kenya are only 46,000 Kenyans. The reason the private medical health providers are complaining is because they think that since the NHIF will charge only Kshs2,000 while they charge Kshs12,000 people will migrate from that market to the services provided by the NHIF. However, these are the rules of a free market. It is about competition. I do not think that the NHIF should be excluded from competition simply because they are charging people less to give them better services.

I have been reading complaints by the private health providers and I think that it is now the tyranny of the private sector over the public sector. Here in Parliament we represent the poor of Kenya and I will stand to speak on behalf of Kenyans rather than pander to the greed of the private sector.

Mr. Deputy Speaker, Sir, with increased participation of the NHIF in the financing of health-care in Kenya, currently it is estimated that the total health-care expenditure is Kshs150 billion out of which the NHIF contributes 4 per cent mainly due to low contribution rates and low coverage. The low coverage is compounded on the fact that the Fund is unable to offer broader products to meet customer expectations due to inadequate finances. Out of the Kshs150



billion health-care expenditure, 26 per cent come from your pocket expenses. In other words, you are frequently called to *Harambee* to contribute to pending bills of patients in the hospitals. You are becoming the insurer and not the NHIF. This move is expected to liberate you from being the insurer of your constituents and transfer that responsibility to a Government body.

When the NHIF rolls out the out-patient cover, it will inject an additional Kshs10 billion to the health sector. This will increase the Fund's contribution from the current 4 per cent to 21 per cent of the total health-care expenditure. As a result, it is envisaged that the Government will increase its participation in preventive and promotive health-care from the current 12 per cent to 25 per cent.

The new contributions will reduce the household expenditure on health from Kshs54 billion to approximately Kshs32 billion or from 36 per cent to 21 per cent. At the moment, households are spending from their income, 36 per cent to take care of their health. We want to reduce that to 21 per cent. Our long-term aim is that by 2030, if we have to meet the goals of Vision 2030, we should have reduced that to 0 per cent. However, we cannot do that at once since the wealth of this nation and that of individuals does not allow it.

Mr. Deputy Speaker, Sir, further, because of removal of financial barriers and enhancing access, there will be a reduction of self-medication which impacts negatively on the health of Kenyans. They will also be more efficacious in providing drugs and managing diseases. With increased contributions, the Fund will be able to expand its product line by extending the current benefits to include out-patient cover. Currently, the cost of out-patient care in Kenya is approximately Kshs16 billion annually. Currently, the NHIF does not contribute to out-patient care. However, with increased premiums, the Fund will contribute 18 per cent on the entire out-patient care expenditure or Kshs11 billion rather than zero at the moment.

We, therefore, expect the health sector to improve over the next five to ten years, rather than go down. Let me assure you that, that cannot happen unless we, in Government, improve health infrastructure. At the moment, I am working on 63 districts and sub-district hospitals to improve the infrastructure. We have already completed work at the Kisii District Hospital and Kericho District Hospital. We are in the process of completing work in Embu and Meru. On Monday, we started expanding Othaya District Hospital. However, I will be able to make a Statement to the House in the next four weeks with regard to which projects we have completed to bring our hospitals to modern standards where they can use modern equipment and improve diagnostic services.

In conclusion, the introduction of out-patient service not only complies with the provision of the NHIF Act, the new Constitution of Kenya and Vision 2030, but also meets the aspirations of the Millennium Development Goals (MDGs). This process has taken four years. It has not been instantaneous, rather it has been consultative and major stakeholders have bought into it. The burden of disease will reduce as this initiative promotes primary health-care. The service is also very marketable and is expected to help in increasing the coverage through introduction of a rate that allows the indigent to access health-care through a sponsored programme. The revision of the contribution rates is long overdue as the current rates were established 20 years ago. It should be understood that even without the introduction of the out-patient cover, inflation and other economic factors have greatly eroded the purchasing power of the scales set out in 1989.

Thank you very much.

**Mr. Nyambati:** Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity. I, personally, want to thank the Minister for what he has just said. It is very clear that the cost of everything in this country has gone up. I think that the health of our nation is extremely

important. I want to say here that a healthy nation is a productive nation. We must ensure that our people are taken care of in terms of health. I feel strongly that this is a fantastic idea. The only issue is that we are trivializing this matter to the point where we feel that the cost of health is just going up unnecessarily, but let us look at everything. Even as I speak, you cannot have a decent meal at Kshs150. But if we are going to have a family of five, for example, covered with only Kshs150, I think this is a good idea which we must support.

Mr. Deputy Speaker, Sir, I do not know whether the Minister and country knows that people who are against this scheme are those who own private insurance companies, who feel that they will lose customers if we have the population of Kenya covered by the National Hospital Insurance Fund (NHIF). If all those ailments that the Minister mentioned are going to be covered – if we are not being taken for a ride – I think it is important that this House supports this issue. It is also important that we rise and ensure that what the Minister is saying is correct and that the NHIF is given support to ensure that it provides health-care and services for the people of this country.

Mr. Deputy Speaker, Sir, I am a victim as every Member of Parliament is---

**Mr. Deputy Speaker:** Order, hon. Nyambati! Remember that this is a Ministerial Statement. Seek your clarification.

**Mr. Nyambati:** Mr. Deputy Speaker, Sir, I just wanted to know from the Minister whether really the ailments that he has specified here are going to be covered by the NHIF. Otherwise, this is a fantastic issue which must be supported.

**Mr. Shakeel:** Mr. Deputy Speaker, Sir, I have been a chairman of a hospital for a long time. I would like to seek a clarification from the Minister. The guidelines and vision he has given are excellent. He is increasing the inflow of the NHIF, yet the efficiency, effectiveness and custody procedures of the NHIF are greatly wanting. What is he going to do to tighten those loopholes and make sure that the extra money that goes towards health-care is actually safeguarded and used for health-care management and not for purchasing useless machines and buildings?

**Ms. Karua:** Mr. Deputy Speaker, Sir, while I agree with the Minister that it is necessary to extend medical cover to bring in more people, there is no shortcut to legislative process. This is subsidiary legislation and the Minister is required to bring and table before the House such rules before they are effected. That would have given us time to debate and also seek further input on what he is proposing. Why did the Minister circumvent the procedure of laying it before the House? What is he going to do about those who do not work; not just those in the informal settlement, but those who have no means of livelihood and cannot have hospital care?

Finally, cross-subsidy is quite okay and that is how we support each other as a nation. But it does not make sense for a person earning Kshs100,000 to pay the same amount as those earning beyond Kshs100,000. There are people earning millions. Instead of charging people who are earning Kshs5,000 – and that would be illegal if it is still there, because it is unlivable wages – Kshs150 and then charging somebody earning Kshs800,000, like a Member of Parliament or beyond, the same Kshs2,000 you are charging a person earning Kshs100,000--- What are you going to do to correct the illegality of publishing the rules before they are laid on the Table of the House? Secondly, what are you going to do to address the issues that we need addressed, so that this becomes something useful to all of us?

**Mrs. Shabesh:** Mr. Deputy Speaker, Sir, I would really like to emphasize the point that my colleague has just made about the contribution by those who earn more than Kshs100,000. There are also businessmen who make millions and the Minister says that the self-employed will

be contributing Kshs500. What is the Minister doing about the businessmen who make millions of shillings in this country? Could he tell us whether there is room for the expansion of what he is covering? The Minister has talked about anti-natal care but he has not talked about post-natal and other issues. Is this open to further debate?

**Mr. Mututho:** Mr. Deputy Speaker, Sir, I want to recap what the last hon. Member has said. The people who do business are the ones who are predisposing the population to these health hazards. I am privy to the fact that people who run fleets of vehicles are the ones who employ *manambas* and many other people. Could the Minister seriously consider those people earning over Kshs100,000 and legislate on that, so that at least a certain portion up and beyond Kshs10,000, 20,000 or even 100,000 for those who earn billions per month, based on your income and level of people you are hiring? For example, the Naivasha flower farmers will be employing about 60,000 people and then making you deplete your resources through poor usage of pesticides and other health hazards like the ones we talked about this morning. Could you restructure it so that it is chargeable as it is done with the Value Added Tax (VAT), so that we capture that group?

**Mr. Deputy Speaker:** Mr. Minister, could you respond to those five clarifications and then we take another five?

**The Minister for Medical Services** (Prof. Anyang' -Nyong'o): Mr. Deputy Speaker, Sir, the questions are very good. Let me respond to them systematically as they were asked.

The ailments going to be covered by outpatient cover is something that we have tested in a pilot project that I launched in Mumias in February, 2010. So, we have got the results back and we know what it costs to cover them and whether we can do so. So, it is not something that we are now guess-working. It is something that is scientific and we know that if we collect this money, the NHIF will sustain the coverage.

Mr. Deputy Speaker, Sir, secondly, people have asked whether this is now a closed shop that we cannot cover others. We are covering the broadest spectrum possible diseases that Kenyans suffer from. If you ask me, 75 per cent of those who go for outpatient care go to hospitals either as a result of malaria or infectious diseases. So, once you cover those broad spectrum diseases that are common to Kenyans, you will know, by doing a further actuarial study, whether we can cover more. That is after we have completed the project. I will tell you that NHIF will cover everything regarding in-patient. There will be no discrimination in in-patient care. According to actuarial studies, once out-patient care is covered, we know that we will be doing reasonably well.

Hon. Shakeel has asked a very important question. He asked: To what extent are we sure that NHIF is competent to do the work that it is supposed to do? Hon. Shakeel also implied that if, indeed, this contribution is being enhanced, whether NHIF has the internal capacity to manage the contributions and dispense them effectively. It is precisely because of that, that, as a Minister, I contracted the International Finance Corporation(IFC), which is a branch of the World Bank, to do a management audit of NHIF as this is launched. I would like an organization that performs its duties effectively. Reading the Press, there is a misconception that IFC is doing an actuarial study. IFC is doing a management audit. The actuarial work was done by Alexander Forbes before we rolled out the out-patient pilot project. It was on the basis of Alexander Forbes actuarial work that we arrived at the categories of contributions that we are now making.

That leads me to hon. Karua's question: Why will people earning Kshs100,000 and more be paying Kshs2,000? We were advised by the actuarial work that once you reach Kshs100,000 and you contribute Kshs2,000--- Majority of those who earn Kshs100,000 and more opt to be

covered by private health providers. For example, here in Parliament, we are covered by AON-MINET. Unfortunately, when it comes to in-patient care, most hospitals ask you whether you are covered by NHIF. They first charge NHIF before they go to AON-MINET, which is really unfair. In any case, we are talking about a market of about 46,000 people. If you begin having over 200,000, that means that you will be managing a very small population. So, the overhead cover of trying to do little things may be more costly. We were advised by the actuarial scientist to put Kshs2,000 for people earning Kshs100,000 and more. If, indeed, in the operationalization of these scheme we find that we should again categorize them further and it becomes actuarially advisable, we will do so. However, at the moment, I can only go by the actuarial advice and do the way I have done it. This is something that is not cast in stone and in real practice, it can be changed.

Hon. Karua asked something which was a subject of a point of order. She asked: Why did we not bring this issue to Parliament first? Parliament, in its wisdom, many years ago, passed an Act in this House which empowered NHIF to vary the rates as it is necessary. This thing is being done in accordance with the law that was passed by this House. It is in the Act that established NHIF. We can review that Act. However, at the moment, the Board is within its powers to do what it has done and to gazette that. The Board is required to gazette the contributions. Now, we can bring the *Kenyan Gazette* to this House and legal minds would debate on the issue. However, we need to look at the NHIF Act to see where we get all the powers.

Hon. Ms. Karua also asked about the poor. Yes, there is a category of Kshs300 for the poor or the indigents. NHIF is doing what has been done elsewhere; that when I, Prof. Anyang' - Nyong'o contribute Kshs2,000 for both in-patient and out-patient cover, I also carry an AON-MINET card so that when I go for out-patient at the Nairobi Hospital, I will charge AON-MINET and not NHIF. That way I will give NHIF the opportunity to use my money to cover the poor. That is my contribution to social solidarity. NHIF would be in a position--- An experiment has been done to find out who the indigents are and, therefore, those who would be covered by NHIF at a rate of Kshs300 a month would not need to get that money out of their pockets. That is what we are doing to cover the indigents.

The NHIF Act under the current practice allows NHIF to have self-employed contributors. Indeed, in the statistics of NHIF, we have many self employed people who are contributors to NHIF. At the moment, we have about 2.8 million contributors to the NHIF and thereby, NHIF covers a population of over 11 million. Part of that population is self employed.

**Mr. Njuguna:** Mr. Deputy Speaker, Sir, as I support the Ministerial Statement issued by the Minister, I would like him to enlighten us on---

**Mr. Deputy Speaker:** Order! Order, Mr. Njuguna! Whereas I will come back to hon. Njuguna and give him an opportunity to seek clarification, I think the original information I had given that hon. Dr. Khalwale had not sought a Ministerial Statement is erroneous. He sought a Ministerial Statement on 18<sup>th</sup> August which was on a Wednesday. The Statement was supposed to be issued today. We are still within our practice that the date set for the issuance of the Ministerial Statement is today. The precedence is that this is now the property of the House. As much as there is a lot of excitement and interest in the House, including the Questioner himself, I would like to correct that bit that I was given by the Clerk. He had indicated that he had not sought a Ministerial Statement. It has now come to my notice that he sought the Ministerial Statement.

Proceed!

**Mr. Njuguna:** Mr. Deputy Speaker Sir, while I support the Minister for this timely Statement, I would like him to indicate to this House what the Ministry will do to hospitals which have incurred heavy losses in the bailout programme so that they can continue offering health-care to Kenyan citizens. Secondly, I noted that, in his contribution, he cited some hospitals that were upgraded. He gave the examples of Meru and Kericho. What criteria does the Ministry apply to qualify such hospitals?

**Dr. Monda:** Thank you, Mr. Deputy Speaker, Sir. As the Chair of the Health Committee, I want to inform the House that we have summoned the NHIF CEO to appear before the Committee on Tuesday, next week for further scrutiny on this matter. However, from the Minister's Statement, I want to congratulate the Ministry for addressing health problems that affect our people and even hon. Members. He has waived hospital bills where our people have been unable to pay. However, there are issues that I want the Minister to clarify. How and when was the tendering done for the pilot programme that was carried out? Who are the people who have been chosen to run the programme? In addition, how much money was allocated to the pilot programme? Out of that allocation, how much went to the Nairobi and Mumias pilot projects that the Minister has alluded to?

Finally, how much funds were spent on the publicity of this programme and by who?

**Mr. Baiya:** Mr. Deputy Speaker, Sir, I wish to seek the following clarification. The Minister has indicated that from the expenditure of Kshs150 billion, the NHIF raises 4 per cent and he seeks to raise it to about 21 per cent. It is clear that he will impose a further levy to raise about Kshs30 billion. He should clarify whether this subsidiary legislation will not have huge financial implications on Kenyans. It is like taxation. Is it in order to enact this kind of subsidiary legislation without even tabling it before this House? Section 34 of the Interpretation and General Provisions Act requires any kind of this subsidiary legislation be tabled before this House for scrutiny, so that the views of all stakeholders, including ours and the members of the public, are taken into consideration. We want, at the end of the day, what they come up with has the benefit of the whole legislative procedure. What will he do about this because as much as we debate, we cannot really give legality to what they have already done outside this procedure?

**Mr. Lessonet:** Thank you, Mr. Deputy Speaker, Sir. I want to take the Minister back a bit to the history of the NHIF. Maybe he can tell this House what the NHIF has been doing with surplus case whenever they have it. Has it been going to health-care or to projects which do not at all, enhance or support health-care?

*[Mr. Deputy Speaker left the Chair]*

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

The business of health-care in Kenya is really beyond the raising of fees to the NHIF. For example, if you go to the Eldama Ravine District Hospital, even if we were to contribute Kshs10,000 per person to the NHIF and the hospital does not have the relevant infrastructure to treat patients, we will not solve the problem. What is he doing about this? The Government even had enough money to give a grant of Kshs20 billion to the KPLC and Kshs4.8 billion to the Kenya Railways. This is a hand out!

**The Temporary Deputy Speaker (Mr. Imanyara):** Order! Mr. Lessonet, please, ask your question!

**Mr. Lessonet:** Mr. Temporary Deputy Speaker, Sir, what is the Minister doing to improve on hospitals infrastructure in the rural areas?

**Mr. Chanzu:** Mr. Temporary Deputy Speaker, Sir, I really want to commend the Minister on the step he is taking to improve health-care in this country. This is one of the biggest problems even to the Members of Parliament. At some stage, the NHIF emulated the NSSF and digressed from its core business and went into investments. He has talked about unpaid bills of about Kshs800 million to public hospitals. In their calculation and from the advice given by their experts, has he taken into account the money that is being earned from these investments? The NHIF went into property development and other investments. I am sure it must be earning huge profits. Has he taken that into account?

Secondly, will he make sure that there is adequate harmonization and streamlining of the NHIF operations? The apprehensiveness of the public is because of the way the money is going to be used. Is he going to put in place strategies to make sure that this money is used for the purpose it is intended for?

Finally, he has told us that COTU is represented on the Board of the NHIF. I understand that COTU is taking the NHIF Board to court about this matter. How is he handling this?

**The Minister for Medical Services (Prof. Anyang'-Nyong'o):** Thank you very much, Mr. Temporary Deputy Speaker, Sir. Let me handle hon. Chanzu's questions first because they are fresh in my mind. The core business of the NHIF is health insurance, but also it is known by such bodies worldwide, and even in the NHIF Act, that it happens to a lot of parastatals that when they have surplus funds, they can invest provided that such investments are approved by the Treasury.

My concern, however, is to begin from where we started after the NHIF had made those investments before I became the Minister for Medical Services. Those are now *fait accompli*. What I want now is for the NHIF to use its funds for its core business, which is the health insurance. If it is investing, it should invest in health-care rather than in other things. That is one of the reasons why I have asked the IFC to do a management audit of the NHIF. So, I am chewing gum and walking at the same time. I want to make sure that the NHIF increases its contributions, but at the same time, make sure that there is management capacity and proper use of resources through this management audit that we are doing. We are hoping that, that management audit will help us see the loopholes that may exist in NHIF.

I must say that over the last five to six years, the NHIF has made tremendous steps towards improving itself. At the moment, it has a biometric method of collecting funds through contributions. If you go to the NHIF, you now have a card which is biometric. The data is very well kept and, therefore, they are up to date in membership, contributions and even disbursements to hospitals. There is very little delay in hospitals getting their funds from the NHIF. That efficiency gain has been arrived at through the use of ICT and better management. I would like them to do better. That is why I have sent in the IFC to do that management audit. It is, therefore, true that we need to constantly improve in performance and not think that improvement in performance can be absolute. That you can arrive at the moment you are absolutely perfect and cannot be questioned in anything. These are institutions which are growing, getting more and more responsibilities every day and, therefore, performance improvement must be a constant undertaking.

Hon. Lessonet has raised very pertinent questions. One has to do with whether hospitals, even if people go there with insurance, can deliver services. I have said in this House over and over again that we need to improve infrastructure in these hospitals. At the moment, the Ministry

of Medical Services requires at least Kshs540 billion to bring all our hospitals to modern level. I do not think we will get that Kshs540 billion instantaneously. That is why we are doing it gradually using more donor funds than the Exchequer funds. The Exchequer only gives us less than Kshs1 billion annually for the Development Vote, which is very little. When I said that we are improving about 63 hospitals in Kenya today, scattered all over, the criteria is the following:-

I said that we are improving about 63 hospitals in Kenya today, scattered all over the country and the criteria is as follows; one, donors offer. I know the problems in Meru District Hospital. They ask: Can you give us a proposal to help you? We give proposals. We also approach donors; I went to Eldama Ravine. Its condition is terrible. We do proposals, and we get support. So, it is work in progress, and if hon. Lessonet has a rich Saudi Arabian who can help us, I am willing to play ball, so that we can improve Eldama Ravine District Hospital.

Mr. Temporary Deputy Speaker, Sir, I mentioned a few hospitals, not because those are all. Those are just samples I was mentioning from my head but there are quite a number of others, which I can mention. At the end of the month, I am going to Kitale with the Prime Minister to open a brand new eye unit at the Kitale District Hospital, which was set up with money given to us by the Canadians; eye problems in that part of the world are enormous.

So, I will definitely work with Members of Parliament and also tap from their own ingenuity on how we can access resources to improve infrastructure in our hospitals.

Mr. Temporary Deputy Speaker, Sir, a hon. Member raised the question of the legality of what we are doing. We are doing what we are doing as per the powers given to us by an Act of Parliament, which empowers the NHIF to do what it is doing. If somebody has a question as to whether it is legal or not, I made a very good proposal. Let us re-look at the Act here in Parliament, and then I can be advised accordingly. In any case, this is the House which makes laws, and not me. I am quite prepared.

**The Temporary Deputy Speaker** (Mr. Imanyara): You have two more minutes!

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Temporary Deputy Speaker, Sir, finally, to respond to hon. Monda's question, I am glad they have asked the NHIF to appear before the Committee on Tuesday. The management of the NHIF is better positioned to respond to management issues. As a Minister, I make policies, which are implemented by the NHIF. If they do not respond to you adequately, then I will come in, but I would plead with the Chairman of the Departmental Committee to ask the NHIF management this detailed questions on Tuesday. If they do not give you adequate answers, I will be quite willing to come in. Today, I came to make a Ministerial Statement on the broad issues in respect of the NHIF's increase of contributions. Therefore, I was not prepared to go into the detailed management questions in NHIF, which you are right to ask. I hope that the NHIF will respond to them. That is, indeed, their mandate and duty.

Mr. Temporary Deputy Speaker, Sir, the final question was what the Ministry is doing in terms of paying hospitals the pending bills. I mentioned that we have a total of Kshs800 million pending bills in hospitals. What happens is that hospitals pass over those bills to us, and we pass them over to the Treasury, because it is the Treasury which should give us the money. I hope that the Treasury will be in a position to bail out those hospitals, through us, so that those hospitals do not get run down as a result of the pending bills.

Thank you very much.

## POINTS OF ORDER

MISLEADING INTERPRETATION OF NEW CONSTITUTION  
BY A PROMINENT RIFT VALLEY POLITICIAN

**Mr. Baiya:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I rise to seek a Ministerial Statement from the Ministry of Justice, National Cohesion and Constitutional Affairs.

Recently, a well known politician from the Rift Valley informed a gathering at Silibwet Grounds in Bomet that the adoption of the new Constitution would lead to loss of ancestral land and to the confinement of a particular ethnic community to one area to pave way for non-indigenous communities. Considering the sensitivity of land issues and the fragile ethnic historical background in the country; further considering the fact that we are still healing from the devastating post-election violence of 2008, and that the National Cohesion and Integration Act of 2008, criminalises hate speech, established a Commission which investigates utterances that incite hatred and violence, among other duties, I would like the Minister to respond to the following issues:-

(a) whether the new Constitution, indeed, does provide for deprivation of legitimately acquired land and/or confinement of communities to a certain region against their will as was alleged by the politician;

(b) whether the National Cohesion and Integration Commission (NCIC) is aware of these particular utterances, and whether they consider them as hate speech; and,

(c) what immediate action the Government is taking against this particular politician and other like-minded individuals who have made such utterances with a view to stir ethnic hatred.

**The Temporary Deputy Speaker (Mr. Imanyara):** Who in Government will undertake to inform the Minister of the need for this Ministerial Statement?

**The Assistant Minister for Medical Services (Mr. Kazungu):** Mr. Temporary Deputy Speaker, Sir, the Minister has gone for a Cabinet meeting. So, I undertake to convey the information to the relevant Ministry.

**The Temporary Deputy Speaker (Mr. Imanyara):** When will the Ministerial Statement be given?

**The Assistant Minister for Medical Services (Mr. Kazungu):** On Thursday, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker (Mr. Imanyara):** Very well!

DELAYED ISSUANCE OF CLEARANCE CERTIFICATE  
TO ROAD CONTRACTOR BY NEMA

**Mr. Outa:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I rise to seek a Ministerial Statement from the Minister for Environment and Mineral Resources.

I want the Minister to clarify, or give reasons, as to why the National Environment Management Authority (NEMA) has not given a clearance certificate to IBS – the contractor who was given the work on the Mau Summit-Kericho-Kisumu Road. The contractor has already reported on site. They have been waiting for this certificate for the last three months, but it is not forthcoming. When will this approval be given, so that the work can start with immediate effect?

**The Assistant Minister for Medical Services (Mr. Kazungu):** Mr. Temporary Deputy Speaker, Sir, I undertake to convey the message to the Minister. The Ministerial Statement should be issued by Wednesday, next week.

**The Temporary Deputy Speaker (Mr. Imanyara):** Next Order!



## MOTION

### ADOPTION OF REPORT ON OWNERSHIP\ STATUS OF KPLC

**Mr. James Maina Kamau:** Mr. Temporary Deputy Speaker, Sir, I beg to move:-

THAT, this House adopts the Report of the Departmental Committee on Energy, Communication and Information on the ownership and status of Kenya Power and Lighting Company Ltd (KPLC), laid on the Table of the House on Thursday, 12<sup>th</sup> August, 2010.

Mr. Temporary Deputy Speaker, Sir, on Wednesday, 14<sup>th</sup> April, 2010, during the afternoon sitting, the Member of Parliament for Mumias Constituency, hon. Benjamin Washiali, asked the Ministry of Energy the following Question by Private Notice-

“(a) What is the relationship between Kenya Power and Lighting Company and the Rural Electrification Authority (REA)?

(b) How much money has the Ministry paid to KPLC through REA since its inception to date?

(c) Could the Minister provide details of the amounts paid as dividends to the major shareholders of KPLC since its privatisation?”

Mr. Temporary Deputy Speaker, Sir, in addition to this Question, the Member of Parliament for Yatta, hon. Charles Kilonzo, had also on Tuesday, 16<sup>th</sup> March, 2010, asked a Question on overcharging of electricity consumers by the KPLC.

The two Questions elicited a lot of interest from hon. Members, who sought to know whether the KPLC is a parastatal or a private company, its shareholders, whether it receives funding or financial support from the Government, its working relationship with REA, the amount of dividends it had paid to its shareholders over time, and other issues surrounding its ownership and management.

Mr. Temporary Deputy Speaker, Sir, as a result, on 14<sup>th</sup> April, 2010, the Speaker directed that the Departmental Committee on Energy, Communication and Information should take up this matter and file a Report in the House.

The Committee took up the matter and held meetings with the Minister for Energy and the Chief Executive Officers of the following companies: The Kenya Power and Lighting Company, Rural Electrification Authority (REA), the Kenya Electricity Transmission Company (KETRACO), the Geothermal Development Company (GDC), the Kenya Electricity Generating Company (KenGen) and the Energy Regulatory Commission (ERC).

The Committee looked into all issues surrounding the ownership and management of the KPLC, and its working relationship with other players in the electricity sub-sector. The Committee found out that the working relationship of the KPLC with other players in the sector is largely tilted in favour of the KPLC, which, as of now, is not a parastatal. This situation needs to be rectified.

Mr. Temporary Deputy Speaker, Sir, the other players in the electricity sub-sector are the Ministry of Energy, the Energy Regulatory Commission (ERC), the Kenya Electricity Generation Company (KenGen), the Geothermal Development Company (GDC), the Kenya Electricity Transmission Company (KETRACO) and the Rural Electrification Authority (REA).

Annexes to this report are as follows: A letter by the Permanent Secretary, Treasury to the Permanent Secretary, Ministry of Energy approving the restructuring of Kenya Power and

Lighting Company (KPLC) capital base; amount of dividends paid to each shareholders from December, 2007 to December, 2009 and a list of all shareholders of the KPLC as of 31<sup>st</sup> March, 2010.

Mr. Temporary Deputy Speaker, Sir, on the ownership, the KPLC was incorporated as a public limited liability company under the Companies Act on 6<sup>th</sup> January, 1922 as the East African Power and Lighting Company. On diverse dates between 1960 and 1975, the Government bought the KPLC shares totaling to 32,853,268 which represents about 40.4 per cent of the voting shares of the company.

The authorized share capital is Kshs18 billion divided into 97,850,000 Ordinary Stocks Unit of Kshs20 shillings each; that is, 1,800,000 or 4 per cent Cumulative Preference Stock Unit of Kshs20 each of 350,000 or 7 per cent Cumulative Preference Stock Unit of Kshs20 each and 800 million or 7.85 per cent redeemable non-cumulative preference shares of Kshs20 each. Out of the 18 billion authorized share capital, 18,722,000 ordinary shares of Kshs20 each and 5,037,000 or 7.85 per cent redeemable non-cumulative shares of Kshs20 each constituting 475,190,080 un-issued shares, leaving Kshs17,524,809,000 as the issued share capital.

Mr. Temporary Deputy Speaker, Sir, the 7.85 per cent redeemable non-cumulative preference shares were created in 2003 under debt- equity conversion arrangement approved by the Cabinet in order to strengthen the capital base of the company for following four consecutive years of massive loss making amounting to Kshs13.64 billion. The losses eroded the company's capital base to a negative position and it was unable to pay its major creditors; that is, the Government and KenGen within the respective contractual credit periods.

On diverse dates between 1960 and 1975, the Government bought the KPLC shares totaling 32,853,268 which represent 40.4 per cent of voting shares of the company. The Government has never sold its shares in the KPLC. In October, 2005, the National Social Security Fund (NSSF) sold 2,139,367 of its shares at the Nairobi Stock Exchange (NSE) to Transcentury Limited. This reduced the voting equity shareholding of the NSSF from 10.53 per cent to 7.9 per cent and combined the Government and parastatal voting shareholding from 51.3 per cent to 48.4 per cent. This is the current position as regards Government and parastatal shareholding.

Mr. Temporary Deputy Speaker, Sir, as at 31<sup>st</sup> March, 2010 the top 20 shareholders of the KPLC were as follows (I do not need to read this because it has already been tabled before the House). It is a long list of the owners of the company.

Following the amendment to the State Corporation's Act of 2002, a state corporation generally requires the Government's authority to transact the following businesses, including those corporations which are exempted from the Act:-

- (i) Staff engagement, salaries and pension schemes;
- (ii) Control of finances and approval of the annual budget;
- (ii) Disposal and acquisition of assets;
- (iv) Audit by the Controller and Auditor-General;
- (v) Inspections by the Inspector of State Corporations;
- (vi) Approval of any intended business venture;
- (vii) Composition of board of directors; and,
- (viii) Procurement regulated by the Public Procurement and Disposal Act.

Mr. Temporary Deputy Speaker, Sir, Part II of the Public Audit Act, Cap.12 provides for the audit of state corporations by the Controller and Auditor-General who has to submit audit

reports to Parliament where Standing Order No.188 states that the Public Investment Committee (PIC) shall examine such reports and accounts.

On Wednesday, 14<sup>th</sup> April, 2010 while answering a Question by Private Notice by Mr. Washiali, the Assistant Minister for Energy, Eng. M. M. Mahamud was not clear on whether the KPLC is a parastatal or not. At one point, he informed the House that the KPLC was a private company with the Government as one of the shareholders. At another point, he informed the House that the KPLC is a Government parastatal but a different one from others. It is in a different category with other parastatals. There are parastatals which are not listed at the NSE. So, the KPLC is different to that extent. The Government needs to be clear on whether the KPLC is a Government parastatal or a private company.

Mr. Temporary Deputy Speaker, Sir, the Committee notes that the importance of the KPLC to service delivery to the country and the achievement of Vision 2030 depends on the success of the electricity sector. It is evident that the Government largely supports the KPLC through guarantee loans and profit ploughed back. It also appoints a majority of directors to the company's board of directors. Further, the company's vehicles have blue registration number plates which are a preserve of parastatals contributing to uncertainty as to whether the KPLC is a parastatal or a private company. Due to the importance of the electricity sector in the country and the regular support offered to the KPLC, the Government should not allow the KPLC to be in the control of business people who are motivated by profits at the expense of the citizens.

Mr. Temporary Deputy Speaker, Sir, the KPLC could be termed as a state corporation if it is fully owned or controlled by the Government or a state corporation. Following a disposal of shares by the NSSF, the company does not meet the requirement stipulated to qualify as a state corporation. Furthermore, the KPLC has not submitted fully to the provisions of the Public Audit Act by having its accounts audited by the Controller and Auditor-General and submitted to the National Assembly for examination by the PIC. The Controller and Auditor-General last submitted audited accounts of the KPLC for the year 2001/2002. The PIC queried the non-submission of the KPLC accounts for subsequent years in its 12<sup>th</sup> Report of 2004. Thereafter, accounts for the Financial Year 2007/2008 were tabled in December, 2009. That notwithstanding, in 2004, the PIC examined the following non-accounting issues:-

- (i) KPLC pension's scheme
- (ii) Contracts between KPLC and IPPS
- (iii) The general financial status of the company
- (iv) Supply of treated posts during the Financial Year 2004/2005 in the 13<sup>th</sup> Report.

Mr. Temporary Deputy Speaker, Sir, the Committee, therefore, recommends that the Government proceeds with the conversion of some of 7.85 per cent redeemable non-cumulative preference shares for 87.12 million shares which the Treasury has approved into ordinary shares at a ratio of 1:1 and retail the ordinary shares so as to raise its stake in the KPLC to 75 per cent, thus qualifying the company as a parastatal. The Government shareholding in the KPLC should be determined by the shares held in the name of the Permanent Secretary, the Treasury and not other state agencies which might later on dispose of their shares without approval from the Treasury.

On the relationship among the sub-sector players, by an agreement signed on 26<sup>th</sup> September, 1973 between the Government and East African Power Lighting Company Limited, the predecessor to the KPLC, the Government contracted the EAPL to implement sub-economic rural electrification project. It again established a rural electrification fund to be used to finance the capital costs. In 2006, the Energy Act placed these arrangements on a statutory footing by

establishing the Rural Electrification Programme Fund to among other responsibilities, manage the fund. Since its establishment, the REA has implemented several rural electrification programme schemes directly through private contractors while the KPLC has implemented other schemes on behalf of the Government, mainly those that were in progress at the formation of the REA.

Regardless of whichever organization has implemented the schemes, all have been handed over to KPLC upon completion for operation and maintenance but the ownership of the assets has remained with Rural Electricity Authority (REA).

On construction of projects, Mr. Temporary Deputy Speaker, Sir, REA selects projects on the basis of its annual plans and it is responsible for its design, survey, obtaining way-leaves, consent and approvals. It is also responsible for construction of all projects and procurement of all goods, works and services for construction. Upon completion, REA hands over the projects and associated documents to the Kenya Power and Lighting Company (KPLC). On the other hand, the KPLC plans for the impact of the project or its networks and is free to visit construction sites and carry out inspection and recommendations, if any, to REA.

On marketing of the project, Mr. Temporary Deputy Speaker, Sir, REA is responsible for all marketing activities prior to commissioning, send quotations to customers, receive capital contributions and compile a list of paid up customers and forward the list to KPLC. KPLC is responsible for supply of electricity to all projects, collection and storage of revenues. KPLC also operates and maintains handed-over projects at own cost up to the level of compensation allowed from time to time by the Electricity Regulatory Commission (ERC) in KPLC retail tariffs.

Mr. Temporary Deputy Speaker, Sir, I do not wish to read all this because the Report has already been tabled before this House. But I would read something briefly here. KPLC is a single buyer for all the power that is generated in Kenya and injected into the interconnected grid for sale to consumers. The trading arrangement between KPLC and each of the generators are governed by a long term; Power Purchase Agreement (PPA), approved by ERC. Such PPAs comprise the capacity charge---

**Mr. Waititu:** On a point of order Mr. Temporary Deputy Speaker, Sir. Since copies of the Report have been distributed to Members, would I be in order to ask the Mover of the Motion to summarize instead of reading the whole Report?

**Mr. James Maina Kamau:** Thank you, Mr. Temporary Deputy Speaker, Sir. I will do exactly that because the copies are already before the House.

The Committee notes that ERC has failed to deliver on its mandate, especially with regard to protecting energy consumers. This is reflected in the high cost of electricity in Kenya as compared to its neighbours, which is a key factor in driving investors out of the country. Further, the exorbitant cost has forced most Kenyans to resort to their traditional sources of energy such as charcoal and firewood, further depleting our environment. Unburdening the energy sub-sector, the Government intended to make the electricity clean, of good quality and affordable, which is evidently not the case. The Committee also notes with concern that under the Energy Act, the ERC is expected to ensure that industry players such as KenGen remain profitable and viable which impacts negatively on the consumers, despite the PPAs guaranteeing reasonable profits. The Committee, therefore, recommends that the Energy Act be amended and that ERC puts back in place, feedback mechanisms to ensure that demand is met with reliable cost-effective and high quality energy services in an environmentally-friendly manner. The Committee further recommends that the Government increases subsidies for the transmission and operation costs so that they are not reflected in the tariffs and the consumer bills. The Committee

notes that the public is misinformed on the operations of the various players in the power sector and recommends that the Government carry out public education to inform the public on the various initiatives and power players which will promote transparency in the energy sector. Further, the price variations reflected on the consumer bills should be demystified to the public.

Finally, Mr. Temporary Deputy Speaker, I urge this House to adopt this Report to increase the Government stake in KPLC and give a clear direction that KPLC is a parastatal and above all, protect electricity consumers from exploitation.

I beg to move.

I would request Eng. Gumbo to second this Motion.

**Eng. Gumbo:** Thank you, Mr. Temporary Deputy Speaker, Sir. I wish to second this Motion and congratulate my colleague and the Vice-Chairman of our Committee, hon. James Maina Kamau, for moving the Motion.

The issues raised, particularly the matter of ownership of KPLC are important. Considering the interrelationship between KPLC and the key players in the sector, I think it is important that this matter be sorted out so that we avoid situations where KPLC and especially, private companies using public investments to generate profits for their shareholders.

Having said this, Mr. Temporary Deputy Speaker, Sir, I think the issues in this sector are big. Sometimes, because of occasions like this, it is important really, to recognize where our shortcomings are. Over the years, the geographical construct of Africa has identified Kenya as a key economic player in the East with South Africa in the South, Egypt in the north and Nigeria in the west. But availability of energy and economic power have a near direct relationship. That is why it is really superfluous to claim that you are an economic power house when you cannot even afford adequate power for your people. If we look at this construct down in South Africa, for example, they are currently generating about 40 gigawatts of electricity. It is expected to go to about 60 gigawatts in the next five years. In Nigeria, it is 6 gigawatts and it is expected to go to 10 gigawatts in the next five years; Egypt is at 22 gigawatts and it is expected to go to 40 gigawatts in the next five years. But with us here in Kenya, we are currently generating just a paltry 1.5 gigawatts of electricity. In fact, the amount of electricity used in Kenya which currently stands at just well under 10,000 gigawatts hours is much lower than what they use in some urban centres in Africa, for example, Johannesburg which uses about 20,000 gigawatt hours of electricity per year and Cairo which uses about 16,000 gigawatt hours of electricity per year.

Mr. Temporary Deputy Speaker, Sir, with such a low availability of power, it sometimes becomes difficult to expect the kind of performance that KPLC is expected to give to the public because it happens that they cannot sell what they do not have. Therefore, I think it is important that the efforts at identifying new sources of power in this country which are commendable, need to be stepped up. We know for a fact that the geothermal potential in Kenya currently stands at between 7 and 10 gigawatts if you consider all the potential wells in Nyanza, Rift Valley and up in Turkana. But even here, we have had a problem as the Mover of the Motion said, we have the Geothermal Development Company of Kenya (GDC) which is essentially tasked with harnessing steam which can be sold to KenGen to generate power.

Mr. Temporary Deputy Speaker, Sir, we know that even between KenGen and GDC, there have been problems because some of the assets that GDC is supposed to use for exploration and generation of steam are still not clear, whether they really belong to the GDC or KenGen, which is partially a private company. With these concerns, sometimes it worries us that the GDC may not live to its full potential unless these undercurrents are brought to the surface and a clear

demarcation brought between these two vital public companies. But having said that, I think the opportunities for supply of Kenya are enormous as it is readily understandable, any process that produces large quantities of heat, high pressure gases or even large quantities of steam and all combustible wastes as a by-product will always readily afford an opportunity for economically viable plans to do what we call co-generation of power.

Mr. Temporary Deputy Speaker, Sir, I think the huge potential for co-generation of power in Kenya needs to be looked at. Here, I have in mind, for example, the sugar factories, the tea factories and all the major industrial installations in Kenya which really have huge potential for co-generation of power. All we need is to have policies that can make investment in this promising sector attractive to potential investors and even the general Kenyan public

Mr. Temporary Deputy Speaker, Sir, I think even as we exploit these resources, we have seen, for example, there is a major co-generation plant in Mumias. I think we should not forget our social responsibility to the people who sit along the supply chain. We do not want to see a situation where Mumias uses large quantities of baggase to generate huge volumes of power, take all the profits and forget about the farmers. I think we need to be sensitive to the fact that this is a supply chain and all players need to benefit from these products.

I also tend to think that time has come for this country to make bold steps in exercising our options in so far as providing adequate energy for Kenya is concerned. My own view which I think is shared by the Ministry of Energy is that civil use of nuclear energy can solve most of the problems that we have with our power supply in this country.

Having said that, I think it is also incumbent upon the Energy Regulatory Commission (ERC) which is the regulator in the sector, to address the problem of erratic power bills. There is a lot of concern with some power meters and consumer installation. For example, you will find in some old estates in Eastlands, the meters were installed more than 50 years ago. How can they be accurate? How do we know that the bills that we are being given reflect our true consumption?

Mr. Temporary Deputy Speaker, Sir, the ERC and KPLC Limited, therefore, must have a programme for regular calibration of meters that have been in use for a long time, including replacement of what can clearly be considered as defective and inaccurate meters.

Finally, I think for some time now, the Kenyan public have had to deal with these supplementary distributors of power called Independent Power Producers (IPP). The IPPs were brought in to supplement and give us emergency power when our normal generation sources go down in capacity. It is, however, important that these agreements are normally signed between private business people and the people of Kenya. I think it is the right time that the contracts were made public so that the people of Kenya can scrutinize them to see to what extent they are favourable to our needs as consumers of power in this country.

With those remarks, I beg to support.

*(Question proposed)*

**Ms. Karua:** Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion. I commend the Committee, especially for recommending that the Government transforms its shares to ordinary shares so that the true position of its ownership in KPLC Limited can be reflected as 75 per cent.

The current arrangement where the Government is reflected as a 40-per cent shareholder is totally incorrect and is convoluted and meant to give other shareholders who are not the

majority shareholders, power of decision making in this vital company. Power is a vital resource and there is no reason the Government's shareholding is not truly reflected. In the current situation, it means that the majority of the Board members come from the private sector. That is why it is not listed as a parastatal. We would urge that we pass this Report and the recommendations be implemented immediately so that the true position can be reflected.

Mr. Temporary Deputy Speaker, Sir, looking at the Report before the House where they tabulate the dividends given to the various shareholders, if you look at the dividends declared up to 2009, it is clear that the Government was the largest beneficiary. It got Kshs1 billion while all the other beneficiaries put together had under Kshs500 million. Therefore, if indeed this is the situation, it beats common sense why the Government would be reflected as owning 40 per cent and, therefore, ceding control of this vital company.

I also want to talk about the IPP. The true reason that the cost of power is so high in this country is the fact that the arrangement with the IPPs is done without proper care and the interest of a majority of Kenyans being taken into account. That is the reason we are paying more for power. When there was a directive that the price of power be reduced, only a token reduction was effected for the ordinary consumers. It is the industrial and big companies that got real reduction.

Mr. Temporary Deputy Speaker, Sir, Members of the Committee should not be asking about the agreements being laid bare to the public. The Committee, on behalf of this House, must make it its business to scrutinize this agreement. I am happy that we have two days to go to the inauguration of the new Constitution. Section 35 gives each Kenyan a right of access to information. We need to lay these agreements bare. As a House and therefore the Committee, we also need to check what is happening in other countries and the going market rates. I am sure by doing this, we will discover that Kenyans are being ripped off and that is why we are paying more for production of power than we should pay.

If you look at the names of the companies, they were the same companies which were contracted before 2002. Their contracts are being renewed with the same prices. I think it is careless of the Ministry concerned and the Government to allow badly negotiated contacts to affect the lives of Kenyans. Although there is a lot of good happening in the power sector; they have been able to connect a number of Kenyans in a very short period, which we must commend. We must also commend the decentralization but there are serious governance issues in this sector. If everything was okay, we would not be paying as much as we are paying for power.

We want to see an era where prime positions in the various power companies are advertised and there is competitiveness so that we can get value for money.

Finally, the Energy Regulatory Commission (ERC) has totally failed in its duty of keeping in check the prices of power. The regulator should have looked at the factors that are causing power prices to escalate. They should by now have discovered that they need to renegotiate the contracts with the IPPs. Also, they should advise the Government on acceleration of other energy sources so that we stop relying on private people.

Mr. Temporary Deputy Speaker, Sir, for all essential services like power, water and communications, there is no reason the Government would cede controlling shares in any of such enterprises to business people. The progress and development of this nation relies on essential services like energy.

With those remarks, I beg to support.

**Mr. Baiya:** Mr. Temporary Deputy Speaker, Sir, I also rise to support this Report. I want to congratulate Members of the Committee for coming up with the Report. First of all, the Report

is quite positive; it confirms or allays the fears of hon. Members as to who owns Kenya Power and Lighting Company (KPLC). As it is quite well known, the service of electricity is very vital and strategic. It would be most imprudent to allow profit driven motives to override the supply of those services to Kenyans because of the obvious threat of exploitation.

It is also true that going by the general cost of electricity in this country, there is widespread concern that it is too high and this situation requires to be addressed urgently. So, if there is no component part of profit driven shareholders as we have been told, the Government should, therefore, do a lot more to ensure that the cost comes down so that it can be sustainable. It is also true that the cost of those kinds of services is strategic in the sense that it can ultimately become a cost factor in other productive activities in the economy. The cost, ultimately, affects the competitiveness of our economy. It is a key component in determining whether we are going to succeed in all our national economic strategic goals. I would, therefore, urge the Government to re-look into the factors that are causing high cost of electricity. If it is about the generation of electricity, for instance, for fossil based fuels which are imported, this obviously will escalate the cost of electricity. It will be seen that, as a company that is strategically gearing itself to addressing the concerns of Kenyans, it should take those kinds of options as the last resort. This was justified initially on the basis that there was drought. We are past the drought period and the tendency to continue using those extra options defies any rational explanation.

It is, therefore, important that the Government moves in to ensure that the representation in the Board corresponds to the actual shareholding and to remove the other private sector players who are in the Board but not based on the proportion of their shares. The Government has, maybe, given a concession in the past. But it should really move in and rectify that. The Board members should be appointed according to the actual ownership of that strategic company.

Mr. Temporary Deputy Speaker, Sir, for those reasons, I beg to support.

**Mr. Njuguna:** Mr. Temporary Deputy Speaker, Sir, I also rise to support this very important Report. Let me initially indicate that it is important that we commend the Chairman of the Committee for developing very crucial findings and recommendations. If they are implemented, the performance of that industry will greatly improve and even acquire new transformation.

With regard to the importation of electricity from neighbouring countries, I would like to say the following: That should not be allowed to happen in this country. We have our own resources. Water levels have improved. Our dams are full and we have geothermal plants. What should be happening is double production of energy from our geothermal plants. They should be expanded so that, instead of importing electricity and incurring heavy bills, that money can be used to expand geothermal electricity. The communities surrounding the geothermal plants should also benefit. We should not be seen as if we are creating unnecessary tension between the energy provider and the communities. Corporate responsibility must be seen. Those companies must be seen to be improving the welfare of those communities in terms of providing schools and health centres.

Concerning the role of Kenya Rural Electrification Authority--- That is a body that is doing very well in terms of electrifying our country. Therefore, the CEO of that Committee, Mr. Ayieko, is highly commended for doing what is right. Nevertheless, I wish to indicate that they have not been very fast in implementing some of the projects. Sometimes, a project takes two to three years to complete. Therefore, they should put more effort to make sure that the projects are implemented properly. At times, they do shoddy jobs. Sometimes, you find the power posts



bending. At times, the holes are left uncovered for ages and they pose a great danger to the people living within those areas. So, the projects should be implemented as soon as possible.

Mr. Temporary Deputy Speaker, Sir, the people who provide way-leaves are not compensated as soon as possible. It takes time and, therefore, it is the responsibility of the company or the Government to make sure that a good relationship between the way-leave providers and the company is properly maintained. Compensation must be given due attention and pending bills for way-leave providers must be sorted out as soon as possible.

With regard to electricity bills, factories and industries are almost collapsing because of high bills. So, it is important that electricity bills are lowered so that we can continue industrializing our country and, in essence, create employment for our youth. Therefore, electricity bills must be lowered to expand the customer base.

Another observation that I have noted concerns the illegal power connections. That should not be encouraged because it will interfere or jeopardize the lives of the users of that illegally connected power. It is high time serious action is taken. When transformers are stolen, KPLC takes ages to replace them. Hospitals, schools, water boreholes and security installations are affected. Service delivery is affected seriously. So, transformers must be fixed as soon as possible. I would like to commend the CEO of KPLC, Mr. Njoroge, for steering the company in the right direction. The company should also improve on its dividends when it is releasing its annual returns.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I fully support this timely Report.

**Mr. Yinda:** Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to also support this Motion, which is very timely. I strongly believe that the shareholding at KPLC should be fully owned by the Government. That is because KPLC is a strategic company that is offering essential services. The economic growth of this country strongly depends on the power supply.

Mr. Temporary Deputy Speaker, Sir, as we all know, the cost of power in Kenya is very high. This is also one of the reasons why investors find it very expensive to come in and put money in this country. As the report indicates, the shareholding of the Government at the moment is shown as below 50 per cent. This should not be allowed to continue.

I am, therefore, requesting this House to approve this Report, and the Government to act with speed so that the proper ownership percentage of this company is reflected correctly; the KPLC should continue doing what it is supposed to do.

If we are to attain the achievements we expect to attain under Vision 2030, power is a very important input into that process. I cannot see how we will get there with the current cost of power. At the moment, REA is doing their best to supply power to the rural areas but connections by KPLC are taking too long. The use of geothermal power should also be encouraged. Geothermal companies need to get more financing from the Treasury.

As we were told recently, in order for geothermal companies to achieve their goal, they need better funding than what was given by the Treasury. Therefore, to be able to lower the cost of power, we all know that we need to turn to cheaper forms of power and geothermal entity is definitely one of those companies that will get this country out of the problem of high power cost.

I am glad to note that emergency power should be a thing of the past, especially that provided by independent power providers. We know that is also an area where this country has

lost a lot of money. I am very sure and confident that geothermal companies will be able to provide enough power to cover the section that was covered by independent power providers.

Mr. Temporary Deputy Speaker, Sir, in my view, most of the profits made by the KPLC should be used to cover the power users. At the moment, the cost of power could be tremendously reduced if this money is used to meet the costs that the power consumers are incurring in this country.

With those few remarks, I wish to support.

**The Assistant Minister for Higher Education, Science and Technology** (Mr. Kamama): Mr. Temporary Deputy Speaker, Sir, first and foremost, I wish to support this Motion, and also support what the hon. Members have said on the issue of high energy costs in this country. This is a big issue among the people in the rural villages and the industrialists in this country. You will agree with me that high energy cost is a disincentive to industrial development. For us to realize industrial development, we must reduce the cost of energy to the lowest level possible.

You will find that most manufacturers will have standby generators in their factories, because the KPLC does not meet their requirements, apart from the fact that power is costly here. Supply is also not efficient. We have power outages all the time. We need cheap energy if we have to industrialize or to realize Vision 2030 goals.

Mr. Temporary Deputy Speaker, Sir, for us to get to this objective, we must diversify our sources of energy, instead of just relying on hydro power. We have relied on hydro power since colonial times. This is the time for us to think outside the box and make decisions to actually encourage investors to invest in clean energy.

For the same reason, I want to recommend that Kenya should go the geothermal way. We have a lot of potential. I agree with what Mr. Yinda said; that we need to diversify and encourage many companies, local and foreign, to invest in geothermal energy. We have a potential of over 4,000 megawatts of geothermal power. This potential is found along the Rift Valley fault line. We have potential in Suswa, Ol Karia and in Nakuru; that is, Menengai. We have some of it in my constituency; that is, in Baringo East. In fact, I have a good chunk of it. My constituency can give Kenya over 2,000 megawatts, over and above the current national grid requirement. So, we need to do this all the way to the south of Lake Turkana. We need to encourage many investors to participate in production of clean energy in this area.

We are flabbergasted when we are told that even geothermal companies were not given enough money. We want, as a matter of urgency, the Treasury together with KENGEN and the other stakeholders, to ensure that geothermal companies are given sufficient funds to exploit this great potential.

Mr. Temporary Deputy Speaker, Sir, we also have very good potential in the area of wind power. I am happy that something is happening in Laisamis. There is a private company doing something in Laisamis. We should extend it to North Horr. In fact, North Horr has the highest potential of wind power. We need to open up those areas. Since the colonial times, those were the areas that were closed districts. For you wanted to come from that side to Nairobi or Isiolo, you had to have a special identification card. That is why up to now, most of the residents of those areas refer to this part of the country as Kenya and that of the country as the wilderness. Most probably, that is how it is.

Mr. Temporary Deputy Speaker, Sir, we need to invest a lot in wind power. Let us look at Coast Province. The tides and waves from the ocean can also produce a lot of wind. So, we need to exploit that. In terms of solar energy, we all know that 78 percent of this country is ASAL.

This tells us that there is a lot of potential in the solar power area. We need to exploit this; other countries have done it. The USA, the Sudan and many other countries have done it.

The issue of having emergency generators has become a cash cow for the high and mighty in this country. So, we need to reduce this because even these same generators contribute a lot to the production of fossil fuel emissions which is not good for environment. I would want us to diversify for us to develop as a country and realize the Vision 2030.

With those few remarks, I beg to support.

**Mr. Nyammo:** Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion that the Ministry of Energy be given the funds that they have requested. But before doing that, I would like to make a few remarks and agree with people who have spoken before me about the competitiveness of manufacturing goods in this country. One of the major inputs of manufacturing is energy. If we continue making energy expensive, this country will not be competitive. So, we must think of how to reduce the cost of energy to enable our manufacturers to produce goods more cheaply and, therefore, competitively.

I agree with the proposal that we diversify our sources of energy. We have seen the problems we have had with hydro power because we have been over dependent on River Tana. We need to think of other sources. We need to think of solar sources of energy. The whole of North Eastern Province can be a major source of solar energy. But as we think of solar energy, we need to think of what to do about solar panels. They are still expensive. They are still not easily affordable by our people. So, whatever we do, we get our universities or industrialists to start assembling solar panels to be able to get every home to get a bit of solar energy supply.

Mr. Temporary Deputy Speaker, Sir, the other source of energy is wind. We have a lot of wind. I am pleased to note that Ngong Hills have become a source of wind energy. There are many other high places even if we do not go to Aberdare, but there are other many highland areas where we can source wind energy. Therefore, let us diversify our sources of energy. Let us make energy a lot cheaper and make Kenya a lot more competitive in the production of manufactured goods.

With those few remarks, I beg to support.

**Ms. Shabesh:** Mr. Temporary Deputy Speaker, Sir, it seems that most of the Members who have spoken are in support of this Motion; would I be in order to ask that the Mover be called upon to respond?

**The Temporary Deputy Speaker** (Mr. Imanyara): I do not see anybody else wanting to speak. So, Mr. James Maina Kamau, it is your opportunity to respond.

**Mr. James Maina Kamau:** Mr. Temporary Deputy Speaker, Sir, I would like to thank everybody who has made very vital contributions. Everyone has said here that we need to explore cheaper sources of energy. That is the bottom-line. The Government of Kenya should put its feet down to make sure that they are in control of the energy sector because this is a vital sector which we cannot leave to every Tom, Dick and Harry to control it.

Mr. Temporary Deputy Speaker, Sir, we need to achieve Vision 2030. In order to achieve this, we need to have energy. However, if energy is expensive, then goods will be very expensive and unaffordable in Kenya. In fact, all the investors coming to this country will relocate to neighbouring countries where they will get cheaper energy. In order to attract these investors who create employment, we need to have cheaper energy. That will encourage them to come and invest in this country.

Mr. Temporary Deputy Speaker, Sir, I do not need to speak a lot on this Motion because everybody has already contributed to it. I support this Motion and thank everybody else.

*(Question put and agreed to)*

**ADJOURNMENT**

The Temporary Deputy Speaker (Mr. Imanyara): Hon. Members, that concludes the business on the Order Paper. Therefore, the House stands adjourned until this afternoon at 2.30 p.m.

The House rose at 12.28 p.m.