

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 16th October, 2008

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

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

Mr. Deputy Speaker: Order, hon. Member! The rules on the laying of Papers of Departmental Committees are very clear and explicit. I do not think I have seen this Report. The Report has to be brought to the Speaker and the Deputy Speaker to approve, at least two hours before the Papers are to be laid. I hope you will conform to that.

Mr. Keynan: Mr. Deputy Speaker, Sir, that has been done through the Clerk's office.

Mr. Deputy Speaker: My suggestion is that you consult with the Chair. You will have to lay the Papers on another day.

QUESTION BY PRIVATE NOTICE

SAFEGUARDING OF KENYANS' INTERESTS IN ECONET ROLL-OUT

(**Mr. K. Kilonzo**) to ask the Minister for Information and Communications the following Question by Private Notice.

(a) Could the Minister confirm that Econet Wireless Kenya Limited (EWK) plans to roll out mobile telephone services in the country without the involvement of Kenya National Federation of Co-operatives, despite the latter having been part of the consortium that was awarded the licence?

(b) What urgent steps is the Minister taking to ensure that the interest of the millions of Kenyans in the co-operative movement is safeguarded in the venture?

Mr. Deputy Speaker: Is Mr. K. Kilonzo not here? Let us move on to Ordinary Questions.

ORAL ANSWERS TO QUESTIONS

Question No.385

NON-COVERAGE OF MIGORI BY TV RECEPTION SIGNAL

Mr. Pesa asked the Minister for Information and Communications:-

(a) whether he is aware that Migori District is still not covered by television reception signal despite the Minister's assurance in 2006, and;

(b) whether he could inform the House when the district will receive the TV

signals.

The Assistant Minister for Information and Communications (Mr. Khaniri): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that Migori is not adequately covered by TV signals. The district is within coverage of the KBC TV transmitter at Kisii. However, the terrain of the land in the district hinders coverage of the signal.

(b) In 2006, KBC installed a low power booster transmitter of 20 watts to cover Migori Town as we await availability of sufficient funds to put up a 1,000 watts transmitter. This can be achieved within a period of three to four months subject to availability of funds.

Mr. Pesa: Mr. Deputy Speaker, Sir, I quite appreciate the answer I have got from the Assistant Minister. This question of "availability" of funds is a language that we always use here. I would like to know the amount of money involved because, in 2006, we were assured that we would get the signals as soon as possible.

Mr. Khaniri: Mr. Deputy Speaker, Sir, the amount of money required to put up the 1,000 watts transmitter is to the tune of about Kshs40 million. I would like to inform the House and the hon. Member that, very soon, we will switch from analogue broadcasting to terrestrial digital broadcasting as required universally. The deadline for this is the year 2015 but, as a country, we are striving to achieve this by January next year. I want to assure the hon. Member that when we switch to the terrestrial digital broadcasting, this area will be adequately covered. We are talking of very early next year. So, it will be pointless, even if we had the money now, to invest Kshs40 million in analogue broadcasting when the rest of the world is moving away from that technology.

Mr. Konchella: Mr. Deputy Speaker, Sir, it is not only Migori but also Trans Mara District does not receive the KBC TV and radio signals. In fact, the people of Trans Mara listen to Radio Tanzania. We do not bother with KBC. We are actually not in the map of Kenya. While improving future TV signals, could the Assistant Minister also consider improving radio signals because we do not listen to Kenyan radio stations any more?

Mr. Khaniri: Mr. Deputy Speaker, Sir, if the hon. Questioner had listened to me, I said that we are switching from analogue to terrestrial digital broadcasting. I want to assure the hon. Member that when we make this migration, we will be able to cover even Trans Mara. At the moment, the system that we have on the KBC radio covers about 95 per cent of the population. So, it is just unfortunate that the hon. Member happens to be among the 5 per cent that is not covered. Television covers a population of about 75 percent. I want to give assurance to this House that when we migrate from analogue to digital, we will be able to cover everybody.

Mr. Ruto: Mr. Deputy Speaker, Sir, I think the Assistant Minister is still evading the Question. I do not think he has made a firm commitment that we will migrate to digital by January. Could he confirm that by January, everybody will be covered on that? Will Kenyans have gone digital by January? Hon. Members here are asking to be covered. Could the Chair rule that Ministers should not come here and tell us that things will be done when funds are available? We are asking for specific answers. When will funds be available? Who will provide the funding? The Assistant Minister should come here and tell us that they have made arrangements to source for the funds and tell us the period of time it will take to carry out the project. These cycle-styled answers will not help us.

Mr. Khaniri: Mr. Deputy Speaker, Sir, I do not know how else I am supposed to give assurance to this House. I said clearly that, universally, it is compulsory that all countries should have switched to digital broadcasting by the year 2015. As a country, we are doing better than that. We are targeting January, 2009. So, I do not know how else I am supposed to give assurances. I just want to assure the hon. Member to relax. We are doing the best we can to see that we make this switch in January. On the question regarding funding, the hon. Member is an old Member of

this House and he should know that it is this House that gives my Ministry money to operate with. So, I can only operate when the funds are approved by the House.

Mr. Pesa: Mr. Deputy Speaker, Sir, the Assistant Minister has tried his best to tell us that we shall have digital coverage from next year. If only he could give us the assurance once more that this will be done. He is talking about targeting. Targeting is not something that must be done. Could the Assistant Minister assure the House that this has been planned and it will be done next year?

Mr. Khaniri: Yes, I want to re-assure the hon. Member, for the third time, that we will meet our targets. I have told the House that it is compulsory that we meet this target by 2015. We are trying, as a Ministry, to get it earlier, by January next year. Therefore, I want to give Mr. Pesa the assurance that, come early next year, he will be able to enjoy the services of the national broadcaster.

Question No.291

ASSESSMENT OF UNEXPLODED BOMBS
IN GITURA DIVISION

Mr. Deputy Speaker: Mr. J.M. Kamau! **The Assistant Minister of State for Defence** (Mr. Musila): On a point of order, Mr. Deputy Speaker, Sir. This Question came up on 8th October, 2008, and it was satisfactorily answered by my colleague, Maj-Gen. Nkaisserry. In fact, we took Mr. J.M. Kamau to the site where he had alleged that there were bombs and we did not find any. Therefore, would I be in order to ask that this Question be struck out of the Order Paper?

Mr. Deputy Speaker: Order, Mr. Assistant Minister! Hon. J.M. Kamau will get the benefit that every other hon. Member is getting. He has a right to ask the Question. You will answer it and say what you have found out after he will have asked the Question. In the meantime, we will proceed until we get to the last Question. If by then he will not have come, then the Question will naturally be dropped.

Question No.052

CRITERIA APPLIED IN RECRUITMENT OF
DRIVERS IN TURKANA CENTRAL

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

- (a) whether he could table the names and home districts of drivers employed by the Government between October and December, 2007, in Turkana Central District;
- (b) which criteria was applied in the employment of these drivers; and,
- (c) how many trained drivers are from Turkana Central District.

Mr. Deputy Speaker, Sir, it is only a small bit of this Question that needed to be answered. I would like to ask the Minister to concentrate on the fate of the seven qualified Turkana drivers.

Mr. Deputy Speaker: Mr. Assistant Minister, you gave an undertaking to the House last time. This is the property of the House and the House is anxious to see what you have done on that issue. Can you answer the Question now?

The Assistant Minister, Ministry of State for Provincial Administration and Internal Security (Mr. Lesrima): Mr. Deputy Speaker, Sir, I wish to table a scheme of service that I was referring to in the House that brought about some of the

obstacles with regard to the recruitment of Turkana drivers.

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

There are nine requirements. Hon. Ethuro was right to say that 17 drivers would qualify if you only consider one criteria, namely, a driving licence. But if you look at the other eight requirements, you will find that the 17 drivers that hon. Ethuro was referring to would then be left out. I do not know if you want me to read out the names and the conditions to the House.

Mr. Deputy Speaker: Order, hon. Assistant Minister! If I recollect, the issue was that there were a number of drivers who were short-listed. The presumption is that anybody who is short-listed can be selected for that position. You, indeed, accepted that fact. You went back to come with the protracted answer to indicate to the House why the very basis for initially putting the interview in Turkana, which is essentially an affirmative action, was not taken into consideration given that there were some Turkanas who were short-listed.

I do not think it is in order for you, right now, to go back to the criteria because any time a number of candidates are short-listed, the assumption is that they qualify to be recruited for that job. So, could we cut the chase and come to basically what you went back to do? This will save the time of the House too.

Proceed!

Mr. Lesrima: Mr. Deputy Speaker, Sir, there was no short-listing. When the eight candidates who met the criteria were invited, 51 others arrived at the interview venue. This is a common trend in most areas. Once the locals know that there are interviews going on for drivers, they come from all directions. You can imagine the amount of energy hon. Ethuro has. With 51 Ethuros at the gate of the District Commissioner's office, he had no option, but to subject everybody to the interview. As a result, only one Turkana met the criteria.

Mr. Ethuro: Mr. Deputy Speaker, Sir, this was a follow-up Question. I was doing the Assistant Minister a favour by asking him to confirm to the House, if he had anything to confirm, about the seven qualified Turkanas who were not employed. Now he is telling the House that we were ambushing the interview venue. He confirmed that 43 people had applied for the job and out of them, 17 were short-listed and interviewed. Out of the 17, only eight were taken. There were seven qualified Turkanas.

How come the qualified local people were not taken and other seven from outside were taken? On the basis of affirmative action, I want the Assistant Minister to reconsider that decision and get these seven people employed. That is all I am asking for. I am not interested in a lot of other stories because if it is a matter of telling stories, I will tell more stories.

Mr. Lesrima: Mr. Deputy Speaker, Sir, indeed, hon. Ethuro has more stories to tell with regard to this particular interview. I want us to be fair to each other. The eight candidates who were recruited are already on their jobs. A waiver should have been sought, but it was not. I would like to appeal that when other Ministries recruit, because we cannot remove these Kenyans who are already on the job, consideration should be given not only to Turkanas, but to people from the marginal areas. I have seen job advertisements in newspapers from other Ministries looking for drivers. At the moment, there is not much that I can do.

Mr. Wamalwa: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to continue evading the Question? If the seven Turkanas were short-listed, could they have been short-

listed without being qualified? If they were qualified, why were they left out?

Mr. Deputy Speaker: Under normal circumstances and in the practice of this country, if you apply for a job and its minimum requirement is a Bachelors Degree and you only have a Form Four Certificate, then you do not get a response and you are not invited to the interview. But if you are short-listed and invited to the interview, it is presumed that you could be selected for that job. If the Turkana drivers, the other conditions notwithstanding, were short-listed and invited for the interview, for you to say that they did not qualify, is an anomaly that, essentially, this House is not going to take kindly. So, proceed and give us an answer!

Mr. Lesrima: Mr. Deputy Speaker, Sir, I started by saying that a number of those candidates invited themselves for the interview. The eight candidates were invited on the basis of the scheme of service. Only eight candidates qualified in accordance with the scheme of service.

Mr. Deputy Speaker: They invited themselves and they interviewed themselves?

Mr. Lesrima: Mr. Deputy Speaker, Sir, they arrived at the venue. This was during the elections time.

Mr. Ethuro: So, they were coming to vote!

Mr. Keynan: On a point of order, Mr. Deputy Speaker, Sir. With due respect, we need the indulgence of the Chair. We are talking about a community that has been marginalised over the years, namely, during the colonial times, the late Mzee Kenyatta's and Moi Governments. Today, the Government cannot get one or two Turkanas who are qualified to be recruited as drivers.

Could the Assistant Minister consider transferring the eight other non-Turkanas to the Central Government and recruit eight Turkanas afresh? This is one way of empowering the local community.

Mr. Lesrima: Mr. Deputy Speaker, Sir, this scheme of service was designed when hon. Ethuro was a Member of the previous Government. Let us be fair to each other. He did not talk that time.

Dr. Monda: On a point of order, Mr. Deputy Speaker, Sir. This scheme of service was there even when the Turkanas were short-listed for the interview. The Assistant Minister took us through the same scheme of service last week. He told us that they were short-listed, interviewed, but at the point of employment, things changed. That is what we are questioning. What transpired with the Turkanas?

Mr. Lesrima: Mr. Deputy Speaker, Sir, there were eight candidates. I am glad that the hon. Member from Kisii is raising these issues. All the candidates who were taken had Form Four certificates with Grade D. That is what the scheme said. I am not responsible for that scheme. However, if you consider the driving licence only, 17 Turkanas could have been employed, but they were not better than the other candidates who were picked. The other candidates are Kenyans and some of them were born there.

Mr. Abdirahman: On a point of order, Mr. Deputy Speaker, Sir. This is the second time this Question has come to the House. The Assistant Minister keeps on talking about the scheme of service. Now that he is unable to answer the Question appropriately, would I be in order to kindly ask you to refer the Question to the Ministry of State for Public Service? The Assistant Minister has failed to answer it adequately.

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

Mr. Deputy Speaker: Hon. Assistant Minister, are you on a point of order?

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, when the scheme of service was put in place, obviously, it never took into account the marginalised areas of this country, including where the hon. Assistant Minister comes from. First, the scheme of service is not cast in stone. Secondly, Parliament is not bound by that scheme of service. It is not an Act of Parliament. It did not come

through here. The Assistant Minister should not just take this matter lightly. He should rather go back, discuss with his superiors and come up with a scheme of service which is fair to all Kenyans.

If you go to the Assistant Minister's constituency, the people will ask you: "Are you from Kenya?" This is because they do not believe that they are Kenyans. So, could we do justice to people from the marginalised areas by not concluding this Question today? The Assistant Minister should go back to his superiors and come up with a better scheme of service to show that these people are true Kenyans.

Mr. Lesrima: Mr. Deputy Speaker, Sir, I do not administer the scheme of service. It is administered by the Public Service Commission in conjunction with the various Permanent Secretaries. When it was prepared, there were wide consultations within the Government.

However, if a waiver is given for the 17 Turkana drivers, then my hands would be untied and they can be employed. I was recommending that since there are more vacancies in the various Ministries, some of which were advertised in June, these 17 Turkanas who were left out by the scheme of service and lack of a waiver can be considered.

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

Mr. Deputy Speaker: Order, hon. Members! Hon. Ethuro, much as you will have the last question, and much as the Chair, as you can see, is not quite pleased with the conduct of the Assistant Minister in answering this Question, you have a provision from the Standing Orders to seek redress. So, it is up to you. Ask the last question. The Chair cannot do any more than it has done so far.

Mr. Ethuro: Mr. Deputy Speaker, Sir, the Chair can do much more than allowing an Assistant Minister to go scot-free with an unsatisfactory answer.

Mr. Deputy Speaker: The Chair does not originate answers!

Mr. Ethuro: Mr. Deputy Speaker, Sir, having considered your ruling, this employment of drivers was done in a fraudulent manner. Parliament cannot allow fraudulent recruitment to be sustained. The Assistant Minister has just said that some of these people were born in Turkana. In part "(a)" of the Question, I asked him to table the names and the home districts of the drivers in order to address that kind of concern. It is only one person whose home district is Turkana Central. The rest are not original Turkanas. What is the point of the Assistant Minister advertising for drivers in Turkana if he was not looking for drivers from that place?

The other day, I demonstrated the degree of co-relation between the membership of the panel and people who finally got jobs. They are related to where they came from. I invoked the provisions of the Public Officer Ethics Act. The Assistant Minister wants to tell this House that he does not care about the laws of this land, when nepotism is being practised and *bona fide* Kenyans are denied their rightful employment!

Mr. Bahari: On a point of order, Mr. Deputy Speaker, Sir. This Question raises something very fundamental, called a scheme of service which is being used for purposes of recruitment in this country. We know very well that unemployment is a very serious and sensitive issue in this country. In view of the fact that, that document is a major policy document and it has never been brought to the Floor of this House as has been ruled from the Chair on several occasions; that Ministers must bring major policy documents to the Floor of the House, where Kenyan people are represented, would I be in order to request that the Chair defers this Question, so that the Minister in charge of Public Service can address a fundamental issue? This issue will take us round in circles. I plead with the Chair!

(Applause)

Mr. Konchella: On a point of order, Mr. Deputy Speaker, Sir. I do agree with what the

hon. Member has just said. But I want to add that this problem is wider than what we are seeing here. We have a national problem. Kenyans are not being recruited on merit. Indeed, during the last three recruitment exercises into the military, Administration Police and regular Police, especially in my constituency, unless you paid between Kshs20,000 to Kshs100,000, you would not get a job. The recruitment exercise takes a whole day, so that its completion ends at night when money would change hands. Could this Question, therefore, be deferred so that we can address this issue as a national problem? It is a cancer that we must get rid of if we have to employ Kenyans.

Mr. Lesrima: Mr. Deputy Speaker, Sir, I have tried to explain. I also do represent Turkana in this House. In fact, the Vice-Chairman of Samburu County Council is a Turkana. So, I do not want this issue to be personalised because I have answered the Question satisfactorily.

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

Mr. Deputy Speaker: Order, hon. Dr. Khalwale! Proceed, hon. Assistant Minister!

Mr. Lesrima: Mr. Deputy Speaker, Sir, I have said that in the next recruitment by the entire Government - not just Provincial Administration - consideration should be given on the basis of driving licence and experience only without regard to education. Those waivers should be applied for by the various personnel units as they carry on with their recruitment. I agree with hon. Ethuro that not all candidates who were picked were born there. Indeed, only one was born there. We also know that in all those pastoral regions, we do have other Kenyans who qualify. If we begin to employ now on the basis of tribe only, it is also not fair. The hon. Members here will not agree also on that point.

On the issue of Public Officer Ethics Act, let us not also have double standards. Where the Public Officer Ethics Act says "do not do Harambees," the Member of Parliament would do them. But when it concerns the civil servants, you want to take them to task.

Mr. Deputy Speaker, Sir, I am very sympathetic to the 17 Turkanas. I want to appeal for a countrywide recruitment for them to be taken on board.

Mr. Mbadi: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for an Assistant Minister to use another wrong to justify another wrong? If the Members of Parliament are not obeying the Public Officer Ethics Act, is that a justification for him to allow his officers to violate the same and bring their kin from other regions and employ them in Turkana Central?

Mr. Deputy Speaker: Order, hon. Members! Hon. Ethuro, that concludes this Question. Hon. Members, there are provisions in the Standing Orders for you to seek redress under such circumstances. I think you better do so. If you look at Standing Order No.18, you might get a clue from it.

Next Question!

Question No.302

REDUCTION OF GOVERNMENT
SHAREHOLDING IN TELKOM
KENYA/SAFARICOM

Dr. Khalwale asked the Minister for Information and Communications:-

- (a) whether he is aware that through privatization of Telkom Kenya and the IPO of Safaricom, the Government has reduced its shareholding in each to less than 50 per cent;
- (b) whether he could explain the national security implications of putting the telecommunications sector in the hands of foreigners and private individuals/companies; and,
- (c) what measures the Government has put in place to ensure that national security

is not compromised in view of the foregoing facts.

The Minister for Information and Communications (Mr. Poghiso): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, the Minister is aware. Following the conclusion of the privatization exercise of Telkom Kenya Limited, France Telkom emerged the winner for the majority stake with a bid of Kshs26 billion. The Kenya Government holds 49 per cent of Telkom in compliance with the Sector Policy Guidelines which have set the threshold at 20 per cent for local equity participation.

Similarly, the shareholding of the Kenya Government has reduced in Safaricom with the recent Initial Public Offer (IPO). It should, however, be noted that the IPO enabled Kenyans to participate in one of the most profitable companies in Kenya.

(b) The Kenya Government has embraced liberalisation of the telecommunications sector in order to improve its efficiency and effectiveness. Liberalisation does not compromise our national security in any way. This is the same throughout the world.

(c) In order to ensure that national security is not compromised, the Government has, through the Information and Communication Technology (ICT) legal and regulatory framework, created statutory obligations to safeguard national security. Telecommunication service providers are required through licence terms and obligations to assist law enforcement agencies in providing information that would assist towards crime investigations. Recognizing that national security threat increasingly assumes an extra-territorial nature, the Commission collaborates with other regulatory authorities or agencies throughout the world. The same case applies to law enforcement agencies in Kenya. The ICT Bill in Parliament is seeking to further tighten the compliance mechanism by recognizing that new technologies are providing new avenues for commission of crime, rendering national security vulnerable. It also seeks to provide adequate penalties to address crimes committed using new technologies.

Dr. Khalwale: Mr. Deputy Speaker, Sir, last week when the Minister in charge of internal security answered this Question, he said that he was aware that with this kind of shareholding, the national security is under threat. That, that was being said by the Minister in charge of Internal Security meant that he knew what he was talking about. However, now Mr. Poghiso is saying that there is no threat to national security. I do not know, in this Coalition Government, which Minister to believe.

(Applause)

Be that as it may, I would like the House to know that in order to sell these shares, and to be sensitive to national security implications, the Kenya Communications Act, 1998 needed to be amended. The Minister did not do it! Why then is he belatedly bringing in an ICT Bill to attempt to achieve what should have been done before the IPO was released to the public?

Mr. Poghiso: Mr. Deputy Speaker, Sir, I think that the best practice in the House is to ask one question at a time, and also not to personalise these things. It is not Poghiso or anybody else; it is the Government. So, if the hon. Member is looking for a Minister to believe, that is really something he can do.

Mr. Deputy Speaker, Sir, I am saying that most crimes today are going to be high-tech and technology based. You cannot, therefore, solve it by reducing any equity. You have to co-ordinate with the rest of the world to solve this matter. It is all going to be in how we work with the rest of the world to solve the crimes, because most of them are extra-territorial.

Mr. Olago: Mr. Deputy Speaker, Sir, the Minister has not addressed his mind to the participation in the issue at hand by the Capital Markets Authority (CMA) and the Communications Commission of Kenya (CCK). These are the two bodies that are charged with the

implementation of regulations pertaining to investment in the telecommunications sector. Could the Minister under the circumstances explain to this House the involvement of the CMA and the CCK?

Mr. Poghio: Mr. Deputy Speaker, Sir, when I talk about regulatory authorities, I imply the two bodies that he is referring to. So, even if I do not mention them by name, they are implied by regulations. In this sector, the regulatory authority in this country, and the rest of the world are connected. The CCK is connected to all the other authorities that regulate the telecommunications in East Africa, Africa and the rest of the world. I did not mention the name CCK, but I have talked about the regulatory authority.

Dr. Khalwale: Mr. Deputy Speaker, Sir, what the Minister was trying to do in disregard of the need to amend the law before this was done was, because they were trying to cash in into this lucrative telecommunications sector; once you lower the shareholding of the Government---

Mr. Deputy Speaker: Order, Dr. Khalwale! Should you wish to give a very long submission, you know the rules of the House. You come with a Motion! It is a Question and you can only come up with a supplementary question. Ask your question: Do not give a speech!

Dr. Khalwale: Mr. Deputy Speaker, Sir, with all due respect to you---

Mr. Deputy Speaker: To the Chair!

Dr. Khalwale: Mr. Deputy Speaker, Sir, with all due respect to the Chair, a Question like this one, that touches on corruption that is perpetuated through high levels of intelligence requires that I build up, before I pose the question, otherwise I will not carry the House with me.

(Applause)

Mr. Deputy Speaker: Order, Dr. Khalwale! You are not inventing parliamentary practice today! If you read the Standing Orders, there are provisions to accommodate your sentiments. It is not that you will be the first one talking about high levels corruption: It has been there for centuries. However, use the appropriate provisions in the Standing Orders. Come up with a Motion! You can even come up with a Motion for Adjournment and have all the time to say those things.

Dr. Khalwale: Thank you, Mr. Deputy Speaker, Sir, for supporting me that this is very high level corruption.

(Laughter)

During this privatisation, a group called "Alcazar Capital" was registered seven days before the conclusion of the IPO. Could the Minister tell us who are the directors of this dubious company that took up 11 per cent of the shares?

Mr. Poghio: Mr. Deputy Speaker, Sir, when Dr. Khalwale wants to know about shareholding in this company, he will ask a Question. Right now, the Question I am prepared to answer is about national security.

I am sorry!

Question No.177

ASSISTANCE TO FAMILIES AFFECTED
BY COLLAPSED POWERLINE
IN JERICHO ESTATE

Mr. Namwamba asked the Minister for Energy:-

(a) whether he was aware that on 21st April, 2008, a power line/pole collapsed and seriously damaged houses Nos.P23661 and P23662 in Ofafa Jericho Estate, in Nairobi, resulting in the deaths of Mr. Alex Muriithi Nthumbi (42) and his daughter, Ms. Nyawira Muriithi (16), and grievously injuring Mr. Rapuli Buluma, Mrs. Pascalia Buluma and their daughter Ms. Seruya Buluma;

(b) whether he was further aware that following the serious damage to their houses, families have not received any compensation or support and, consequently, the family of Mr. Buluma was rendered homeless and now spends nights in the Ofafa Jericho Social Hall; and,

(c) whether he could explain what steps he has taken to assist the families and state when the actual compensation will be paid.

The Assistant Minister for Energy (Mr. Keter): Mr. Deputy Speaker, Sir, before I answer this Question, yesterday, I mentioned that Turkana North Constituency had not submitted the five priority projects, but I want to report today that Mr. Munyes has since done that.

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

(a) I am aware that on 21st April, 2008 two City Council houses in Ofafa Jericho collapsed and caused the deaths of Nyawira Muriithi and her father Alex Muriithi Nthumbi and grievously injured three other people. In this regard, I wish to take this opportunity to sincerely apologise to the families of those who lost their loved ones and those who suffered injuries. This was occasioned by a rotten pole, which was pulled by three service lines, hence lost its equilibrium and pulled the houses apart.

(b) I am also aware that following the accident and the subsequent damage to their houses, the affected families have not received any compensation or support from my Ministry and are, therefore, likely to have had difficulties in getting alternative accommodation. What the Ministry has done is to fast-track the Kenya Power and Lighting Company (KPLC) through its insurance firm, APA Capital Insurance. I wish to report that there are two lawyers who have come up to launch the complaint. These are J.A. Kuserwa Company Advocates, representing the Buluma family, and Githau J.H. Mwaura and Company Advocates, representing the deceased, Alex Muriithi's family. We have already written to the families to document their property claims, so that we can take them together with the other claims and settle them as soon as possible. So, we are still awaiting a response through the two lawyers or directly from the families.

Mr. Namwamba: Mr. Deputy Speaker, Sir, when a public utility company like the KPLC takes up the mandate to provide services of this nature, they also owe a duty of care to ensure that their facilities do not turn into a hazard to the people. I just want to commend the Ministry, because what I am hearing them say is that they have accepted responsibility for this accident. No further question!

(Applause)

Question No.140

EFFECT OF INCREMENT IN SDF

Mr. Were asked the Minister for Agriculture:-

(a) whether he could assure the country that the increment in the Sugar Development Fund (SDF) from Kshs3.2 billion to Kshs4 billion in furtherance of the recently launched Kshs4 billion "Kilimo Biashara" credit facility will not

subject farmers to further taxation; and,

(b) how the Government intends to raise the additional cash.

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

(a) I assure the country that the increment in the SDF from kshs3.2 billion to Kshs4 billion will not subject farmers to further taxation.

(b) The additional cash will be raised through profits accruing from loan repayments and the 4 per cent levy to sugar consumers.

Mr. Were: Mr. Deputy Speaker, Sir, I asked this Question at the end of May and it has taken five and half months to be answered, yet from the answer it looks like it was a very easy Question to answer. I asked this Question because of my worry for the sugar-cane farmers. When I got the information that the SDF was being increased from Kshs3.2 billion to Kshs4 billion, I realised that, that was a 25 per cent increase. Right now sugarcane farmers are really suffering! In fact, they are getting no profit, or debits at the end of every season.

Mr. Deputy Speaker, Sir, however, now that you have mentioned that the amendment will be raised through profits accruing from loan repayments, what I would like to know is how much profit are you expecting from those loans, what part of it will go to "Kilimo Biashara" and how much will be retained at the Sugar Board for sugar-cane farmers?

Mr. Mbiuki: Mr. Deputy Speaker, Sir, the Kenya Sugar Development Fund (KSDF) receives 4 per cent of all the sugar sales. Out of that 4 per cent, cane development and maintenance gets 0.66 per cent and infrastructure or capital development gets 0.1 per cent. So, a total of 1.37 per cent is used as a revolving fund for sugar development.

Mr. Deputy Speaker, Sir, out of the loans that are given out through the KSDF, they attract an interest rate of less than 1 per cent. The interest rate was used to increase the Fund from Kshs3.2 billion to Kshs4 billion.

Mr. Deputy Speaker, Sir, we are going to use the money accruing from the interest rates and the profits to ensure that there is no further taxation of the farmers. The farmers are only levied 1 per cent for the cess and 1 per cent for the Marketing Body Levy.

Thank you, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Hon. Were! The last one!

Mr. Were: Mr. Deputy Speaker, Sir, he has not really answered the question satisfactorily! The question I asked was in terms of figures and not percentages. What I wanted to know is how much profit do you expect? Out of that profit, how much will be apportioned to "Kilimo Biashara" and how much will be retained at the Kenya Sugar Board for use by farmers in the sugar growing areas? You have also indicated that 4 per cent of the levy to sugar consumers will be spent on that. How much do you expect that to be? If you are going to levy the consumers another 4 per cent, it means they are going to suffer by paying more for their sugar. Is it fair?

Mr. Mbiuki: Mr. Deputy Speaker, Sir, KSDF was started in 1992. In 1997, the rate that was being charged was 7 per cent. But it was reduced to 4 per cent. So, it is a system that has been in place since 1992, to the current levels of 4 per cent. So, you can realize that the Government is taking that initiative to lower it further from 7 per cent to the current 4 per cent.

Mr. Deputy Speaker: Next Question!

Question No.247

CAUSES OF HIGH DISPARITY
BETWEEN RICH/POOR IN KENYA

Mr. Deputy Speaker: Order, Hon. Members! Question No.247 by hon. Bahari to the Ministry of Planning, National Development and Vision 2030 is deferred to three weeks from now. The Minister and the Assistant Minister are both attending official functions.

(Question Deferred)

Next Question by hon. Kiilu!

Question No.357

NON-RESETTLEMENT OF MANOONI IDPS

Mr. Kiilu asked the Minister for Lands:-

- (a) whether he is aware that 75 families from Manooni Sub-location, Kakutha Location in Mbitini Division whose land was acquired by the Government in the early 1980s for the construction of Manooni Dam have not been resettled, and have since become internally displaced persons (IDPs) living with relatives; and,
- (b) what urgent steps the Ministry has taken to compensate and resettle those families.

The Assistant Minister for Lands (Mr. Bifwoli): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The Government did not compulsorily acquire any land for construction of Manooni Dam in the early 1980s.

(b) Since the Government was not involved in the compulsory acquisition of the said land, the question of compensation does not arise. The issue of resettling families cannot be considered in the context of the alleged acquisition.

Mr. Kiilu: Mr. Deputy Speaker, Sir, I appreciate the answer given by the Assistant Minister. But I want to say this: It is not true that the land was not acquired. What is true is that the land was acquired, and there is a dam on the ground which feeds three divisions! All along, the Ministry has been promising those families that they will get land. When is the Assistant Minister going to resettle those people because their land was taken and a dam put up? The people are using water from that dam!

Mr. Bifwoli: Mr. Deputy Speaker, Sir, I am saying that our Ministry was not involved in the acquisition of the land to pave way for the construction of the dam. When I say that our Ministry was not involved, that means that there was no Gazette Notice that our Ministry or the Commissioner of Lands issued to that effect! That is why I am saying that we were not involved. It might have been a local arrangement in the area, maybe!

Mr. Ruto: Mr. Deputy Speaker, Sir, the Assistant Minister is avoiding to answer the Question. Was a dam built in that agricultural land that was owned by those people? You are part of a Government that talks about collective responsibility, although you said that you will have your own Government in future. But, right now, you are an Assistant Minister in that Government!

(Laughter)

Could you tell us who sunk the dam on that land? Was it the Government?

Mr. Bifwoli: Mr. Deputy Speaker, Sir, the fact that he recognizes that I am going to be the leader of the next Government--- I wish he should have addressed me in that new capacity!

(Laughter)

However, Mr. Deputy Speaker, Sir, if a dam was built there, it must have been through a local arrangement. When I say that we do not have records in our Ministry, that means that there are no records in the Ministry of Lands saying that there is a dam around that place. That is what I mean.

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, time and again, you have stressed the issue of collective responsibility. It is obvious that the land was acquired by the Ministry of Water and Irrigation. For the Assistant Minister to only limit himself to his own Ministry, he is not doing justice to this House and to the people affected.

Therefore, Mr. Deputy Speaker, Sir, I am appealing to you to, maybe, have this Question deferred and let the Assistant Minister liaise with the relevant Ministry. When you get there, do not forget us!

Mr. Deputy Speaker: Mr. Assistant Minister, just because there are no records in your Ministry--- You did not have a definitive answer that, actually, no land was acquired!

Mr. Bifwoli: Mr. Deputy Speaker, Sir, when it comes to compulsory acquisition of land, it means that there is somebody who requested for it. We are merely agents! But there are no records---

Mr. Olago: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister, hon. Bifwoli, to struggle to answer this Question, when his Minister is comfortably seated behind him?

Mr. Deputy Speaker: Order, hon. Olago! Order!

(Laughter)

Proceed, hon. Bifwoli!

Mr. Bifwoli: Mr. Deputy Speaker, Sir, the hon. Member should note that I am a presidential material capable of answering anything!

(Laughter)

Mr. Deputy Speaker, Sir, in answering this Question, I said that somebody can only be removed--- Compulsory acquisition of land can only be done if somebody or an agent requests the Ministry. That is when we say that land was compulsorily acquired. That is what I am saying. It is not that I am struggling. That is the law!

(Dr. Khalwale stood up in his place)

Mr. Deputy Speaker: Are you on a point of order?

Dr. Khalwale: No, I have a question, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Do you have a question?

Dr. Khalwale: Yes, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Then be fast!

Dr. Khalwale: Mr. Deputy Speaker, Sir, the fact that 75 families are displaced by the Government is both an urgent issue and a humanitarian issue. This Assistant Minister has in his possession the Ndung'u Report, which if he implements, would give him access to land on which he can settle those squatters. When will he implement it?

Mr. Deputy Speaker: Mr. Assistant Minister, you can choose to answer or not to answer

that one. That is up to you because it is not part of the question.

Mr. Bifwoli: Mr. Deputy Speaker, Sir, can I answer it?

Mr. Deputy Speaker: Proceed, if you so wish!

Mr. Bifwoli: Mr. Deputy Speaker, Sir, the question of implementing the Ndung'u Report is on the way. I can assure the hon. Member that if we implement it, there are some of us seated here, who have amassed a lot of land, which we shall take away from them and settle the landless in my "next government".

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

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

Mr. Deputy Speaker: What is your point of order, Mr. Mbadi?

Mr. Mbadi: Mr. Deputy Speaker, Sir, I hope you heard the Assistant Minister say that some of us seated in this House have amassed large tracts of land. Could he substantiate that serious allegation?

Mr. Deputy Speaker: Mr. Assistant Minister, you have just got yourself into trouble! Could you substantiate your statement or withdraw and apologise?

Mr. Bifwoli: Mr. Deputy Speaker, Sir, I will withdraw until the Report is tabled.

Mr. Deputy Speaker: Order! Order! There is no conditional withdrawal! You withdraw and apologise or you substantiate!

Mr. Bifwoli: Mr. Deputy Speaker, Sir, I am withdrawing and apologising until I bring the Ndung'u Report to this House.

Mr. Linturi: On a point of order, Mr. Deputy Speaker, Sir. It may have escaped your ears, but the same Mr. Bifwoli said that when he forms his own government, he will repossess the amassed land and settle landless Kenyans. Could he confirm or tell us whether, indeed, that will ever happen?

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

Mr. Kiilu: Mr. Deputy Speaker, today is the saddest day for members of the 75 families who are displaced. The answer given by the Assistant Minister leaves a lot to be desired; not only to these members of the 75 families, but also to members of other families who have given their land to the Government for development of public utilities. Is he aware of what has been going on? In 1995, the same Ministry issued letters of offer to members of these 75 families. So, when will he settle these people?

I have documents here with me which confirm that the Ministry issued letters of allotment to these families. These families are only waiting to be settled. With your permission, I want to table these documents to prove that he is misleading the House.

Mr. Deputy Speaker: You can proceed and table the documents.

*(Mr. Kiilu laid the documents
on the Table)*

Mr. Assistant Minister, I hope you understand the consequences of misleading the House deliberately, or issuing such a definitive statement as your answer here.

Mr. Bifwoli: Mr. Deputy Speaker, Sir, the hon. Member has said that the Ministry gave allotment letters in 1995. An allotment letter is an offer of land to somebody who has no land. That does not mean that, that person was evicted somewhere. If you are given an allotment letter for land and you accept it, that means there is land somewhere, which is being given to you. That does not mean you have been evicted somewhere.

Mr. C. Kilonzo: On a point of order, Mr. Deputy Speaker, Sir. Obviously, the Assistant

Minister is taking this House for a ride and he has no interest in these affected people. It is the practice of one government after government that when they compulsorily acquire your land, they either compensate you through cash payment or they allocate you land elsewhere. In this particular case, they were given letters of allotment by the Ministry as compensation for the land they surrendered for construction of the dam.

Mr. Bifwoli: Mr. Deputy Speaker, Sir, this letter of allotment is about a settlement scheme. There is no indication that these people's land was snatched from them. They were being offered land in a settlement scheme; if I may look at it.

(Dr. Khalwale stood up in his place)

Mr. Deputy Speaker: Dr. Khalwale, this House has 222 Members of Parliament. So, relax!

Mr. Koech: On a point of order, Mr. Deputy Speaker, Sir. You have heard the Assistant Minister loud and clear. From his statement, it is clear that he is not interested at all in taking care of those Kenyans. You have also heard him say that he will implement several things when he forms his government. Could he tell this House where his loyalty is at the moment?

An hon. Member: He is sabotaging the Government!

Mr. Bifwoli: Mr. Deputy Speaker, Sir, that is a different Question. I have said very clearly that these farmers were offered land in a settlement scheme. There is no indication that they were evicted from elsewhere.

Mr. Deputy Speaker: Order! Order! Mr. Assistant Minister, this is a serious matter. It is a matter which concerns land and the livelihood of Kenyans. The ruling of the Chair is that you look at these documents, consult more broadly with your Ministry, do the requisite investigation and then come back to the House and report.

(Applause)

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

Question No.117

OPERATIONALIZATION OF SABOTI
SUB-DISTRICT HOSPITAL

Mr. Wamalwa asked the Minister for Medical Services:-

- (a) whether he is aware that Saboti Health Centre facility was upgraded to a Sub-District Hospital in 2007, but it is yet to assume its new status; and,
- (b) what steps the Government has taken to ensure that the said Sub-District Hospital gets the necessary equipment and enjoys its new status.

The Assistant Minister for Medical Services (Mr. Mungatana): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The Saboti Health Centre was gazetted as a Sub-District Hospital on 8th August, 2008 through Gazette Notice No.7270, published under the Medical Practitioners and Dentists Act, Cap.253, Laws of Kenya.

(b) Granted, the facility was upgraded after the budgeting process for the current financial year had already been completed. Budgetary provisions for Saboti Sub-District Hospital will be factored in the 2009/2010 Financial Year. In the current financial year, the Ministry plans to

construct an operating theatre for the facility at a cost of Kshs5 million. The facility will also be supplied with an ambulance in the course of October, 2008.

Other plans for the facility in the current financial year include the deployment of more technical staff as well as upgrading of the drugs kit.

Thank you, Mr. Deputy Speaker, Sir.

Mr. Wamalwa: Mr. Deputy Speaker, Sir, I am more than pleased with the answer from the Ministry. May I commend the Hon. Prof. Peter Anyang'-Nyong'o? He did not only gazette Saboti Dispensary as a Sub-District Hospital, but he actually travelled all the way to the facility. We were honoured because he was accompanied by the Prime Minister of the Republic of Kenya.

I am pleased to note that we shall be receiving an ambulance at Saboti Sub-District Hospital in the course of October. May I invite the Assistant Minister to present the ambulance during Kenyatta Day, on 20th October, 2008?

Mr. Mungatana: Mr. Deputy Speaker, Sir, obviously, the hon. Member is trying to catch me. However, October ends on the 31st; so, I will not tie myself to the 20th. The ambulance will be delivered within the month of October.

Mr. Deputy Speaker: Next Question, by Mr. Mwaita!

Mr. Olago: On a point of order, Mr. Deputy Speaker, Sir. There is a very fundamental point on this Question.

Mr. Deputy Speaker: What is your point of order!

Mr. Olago: Mr. Deputy Speaker, Sir, I have had a chance to go over Question No.407 on the Order Paper. I do not wish to diminish the gravity of the issue. However, it may have escaped the attention of your office that a matter touching on *Prosopis Juliflora* known as Mathenge is pending in the High Court of Kenya at Nairobi. In the circumstances, is it in order for this Question to be asked and may it be offending the provisions of Standing Order No.74 on *sub judice*?

Mr. Deputy Speaker: Mr. Olago, do you have a copy of the plaint? The rules are very specific. When you want to say that a matter is *sub judice*, you have got to have a copy of the plaint for the Chair.

Mr. Olago: Mr. Deputy Speaker, Sir, I do not have a copy of the plaint with me. But I thought this is public knowledge.

Mr. Deputy Speaker: The Minister will be in a position to say that. Mr. Mwaita, can you ask the Question? There was a pre-emption of that Question.

Question No.407

MEASURES TO ADDRESS EFFECTS
OF *MATHENGE* WEED

Mr. Mwaita asked the Minister for Forestry and Wildlife:-

- (a) whether he is aware that *Prosopis Juliflora* commonly known as Mathenge weed is threatening the livelihood of people of Baringo District;
- (b) what steps the Government is taking to ensure that the residents of Baringo and their livestock are not negatively affected by the weed; and,
- (c) whether he could state when he will classify this plant as a noxious weed under the Suppression of Noxious Weeds Act, Cap.325 of the Laws of Kenya.

Mr. Deputy Speaker, Sir, I would like to clarify that the Courts have since given a ruling on the matter.

The Assistant Minister for Forestry and Wildlife (Mr. Nanok): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that *Prosopis Juliflora* commonly known as Mathenge weed is threatening the livelihood of people of Baringo District.

(b) The Government of Kenya has initiated an intensive programme aimed at educating the local communities in Baringo and all the affected districts in the country on management and control of *Prosopis Juliflora* seeds.

Some of the programmes carried out from 2004 are highlighted below:-

(i) The pilot project on management and utilisation of *Prosopis Juliflora* in Baringo District. The project mobilised the local communities through formation of five self help groups. It has trained 24 facilitators and over 300 community members drawn from all the affected locations on how to manage and utilise *Prosopis Juliflora* trees. The training covered how to thin invasive populations of *Prosopis Juliflora*, prevention of re-growth by killing the stumps and planting grass, cost effective methods of making charcoal and processing of the nutritious pods to make livestock feed and human food.

Currently, over 200 residents in Baringo have thinned their compounds and farmland and planted grass for their livestock, thereby reducing the problem of the trees. Many more residents are now adopting the introduced technologies.

(ii) Using *Prosopis Juliflora* pods in the livestock feed industry. *Prosopis Juliflora* pods are highly nutritious and generally rival maize, wheat and other cereals used in the manufacture of livestock feed. Owing to the shortage of these cereals and the competition for their use in the manufacture of biofuel, *Prosopis Juliflora* has the potential to replace the cereals in the feeds industry. The pilot programme is now seeking ways to mobilise the affected local communities across the country to harvest, add value and commercialise the pods to livestock feed manufacturers.

(iii) Use of *Prosopis Juliflora* for charcoal production. *Prosopis Juliflora* wood has a very high density and, therefore, produces high quality charcoal and timber. In the last few years, over 1,000 permits for making and transporting *Prosopis Juliflora* charcoal have been issued in Baringo District. On average, 40 tonnes per month of *Prosopis Juliflora* charcoal is being produced in Baringo, accruing over Kshs500,000 per month to the charcoal producers. If the marketing is well organised, the benefits could be well above Kshs1 million per month in Baringo District alone.

(c) The Government is in the process of setting up a technical committee of experts in the light of the new research advancement in the last four years to consider this classification issue.

Mr. Mwaita: Mr. Deputy Speaker, Sir, I am happy the Assistant Minister has given a very comprehensive answer. However, he has deliberately escaped from answering the last part of the Question, on when the Government is going to declare it a noxious weed. Other countries, including neighbouring countries of Sudan and Ethiopia, declared it a noxious weed in 1997. When is the Kenya Government going to declare it a noxious weed? This weed attracts international funding when it comes to its control.

Mr. Nanok: Mr. Deputy Speaker, Sir, the global consensus right now, more strongly advocates towards control, management and utilisation of these tree species. The Ministry has since developed a Cabinet Memorandum to appraise the Cabinet on the status of the tree and its invention of critical ecosystem habitats within the dry zones of Kenya. The Cabinet Memo seeks approval to declare this tree species a national disaster and hence mobilise emergency resources for its control as well as to function and restricted access and utilisation by the local people in all areas of occurrence in order to check its spread.

Mr. Ruto: Mr. Deputy Speaker, Sir, the Assistant Minister should first admit that it was a mistake by the Government to introduce this weed. Now it is destroying livestock teeth. He is however, telling us that he intends to have this weed as animal feed. At the end of his answer, he says that he is considering declaring it a noxious weed. This is contradictory! What is the

Government up to with this particular weed? Has the Government compensated farmers who have lost their livestock because of this noxious weed? The Assistant Minister is now proposing a very academic answer! I think he has not understood the issue at hand.

Mr. Deputy Speaker: Mr. Assistant Minister, what is the Government's position? Is it noxious or is it considered safe?

Mr. Nanok: Mr. Deputy Speaker, Sir, let me outline the objectives of the introduction of this tree. It was globally introduced 200 years ago. It is not only found in Kenya but also many other countries. It was introduced in Turkana, Garissa, Tana River and Baringo with the objective of controlling the expansion of deserts, massive erosion and aridity that retains over 80 per cent of our country.

Secondly, the tree was also meant to provide residents with wood for fuel and construction. It was also meant for human food as well fodder for livestock. We have done several scientific studies to try and control its evasive nature. The Government is aware that it affects livestock. However, I think we should also consider the positive part of it, which we are focusing on. Studies--

Mr. Magerer: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to accept that Mathenge weed is a threat to the livelihood of the people and then, again, say that it is a profitable tree? Who is profiting from it?

Mr. Deputy Speaker: Mr. Assistant Minister, the third part of the Question is very explicit about whether the weed or species is classified as being noxious or not. Why can you not be concise and stop the very winding---

Mr. Nanok: Mr. Deputy Speaker, Sir, I have just said that we are in the process of setting up a technical committee to evaluate this. Let us accept that every plant always has a negative and a positive side. From the scientific pilot studies that we have conducted, we have established that the positive side of this particular weed can be utilised to benefit communities. That is what we want to focus on.

Mr. Wamalwa: Mr. Deputy Speaker, Sir, could the Assistant Minister confirm to this House that the ruling in this matter was delivered in 2006, and that there was a directive that a commission be formed to look into this matter? Now it is over two years. What has the Government done, particularly with regard to part (c) of that Question? It is the commission that would have established whether the weed is noxious or not. What has the Government done up to now?

Mr. Deputy Speaker: Mr. Assistant Minister, the effect of this particular species is very vast in the country, judging by the number of court cases. Why can you not give us a definitive answer?

Mr. Nanok: Mr. Deputy Speaker, Sir, we will consider the concerns of hon. Members and take action.

Mr. Mwaita: Mr. Deputy Speaker, Sir, I just want to know when the Assistant Minister will give an answer?

Mr. Deputy Speaker: Mr. Assistant Minister, could you give a definitive undertaking to this House, that you will come back to the House and report on the position of the Government on this weed?

Mr. Nanok: Mr. Deputy Speaker, Sir, I will bring the answer on Thursday afternoon next week.

Mr. Deputy Speaker: Hon. Members, Question No.186 by Mr. Mututho and Question No.264 by Mr. Ombui will appear on the Order Paper on Tuesday next week.

Question No.186

REHABILITATION OF ROADS WITHIN
NAIVASHA/GILGIL/MBARUK

(Question deferred)

Question No.264

IMPROVEMENT OF REMUNERATION OF
YOUTH POLYTECHNICS STAFF

(Question deferred)

QUESTION BY PRIVATE NOTICE

SAFEGUARDING OF KENYANS' INTERESTS
IN ECONET ROLL-OUT

Mr. K. Kilonzo: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Information and Communications the following Question by Private Notice.

(a) Could the Minister confirm that Econet Wireless Kenya Limited (EWK) plans to roll out mobile telephone services in the country without the involvement of the Kenya National Federation of Co-operatives, despite the latter having been part of the consortium that was awarded the licence?

(b) What urgent measures is the Minister taking to ensure that the interests of the millions of Kenyans in the co-operative movement are safeguarded in the venture?

The Assistant Minister for Information and Communications (Mr. Khaniri): Mr. Deputy Speaker, Sir, I rise not to answer this Question but to seek your advice and ruling on it. As I was preparing to answer this Question, it was brought to my notice that the matter, which the hon. Member is asking about, is before the High Court of Kenya as Civil Case No.560 of 2006, and I hereby lay on the Table, the plaint of the case. I would seek your advice as to whether it is in order for me to proceed and answer this question, or if it is *sub judice* matter under Standing Order No.74.

Mr. Deputy Speaker: Indeed, there is a civil suit here. The Chair is going to study the contents of the plaint itself and see whether they are such that the matter of this Question should be treated as being *sub judice*. The Chair is going to give a definite ruling on this matter on Wednesday afternoon next week.

Mr. K. Kilonzo: On a point of order, Mr. Deputy Speaker, Sir. Thank you for your ruling, which I do not wish to, in any way, contradict but I had been given an answer earlier, which I intended to interrogate the Minister on. Again, this matter is very urgent, because the concerned organisation, Econet Wireless Kenya, is intending to roll out---

Mr. Deputy Speaker: Order! Hon. Member, we work under rules. We are, indeed, a law making body. We are a legislating body, and the least we can do is respect our own laws and rules. If the matter is *sub judice*, then it is so. Period! There is nothing else that can be done about it. Nonetheless, give the Chair ample time so that I can go through the plaint and see whether the contents in this Questions do, indeed, classify your Question as one touching on matters that are *sub judice*. The ruling will be given on Wednesday afternoon.

Mr. K. Kilonzo: On a point of order, Mr. Deputy Speaker, Sir. I just want to request you that the status quo remains until you give your ruling.

Mr. Deputy Speaker: Order! You are a law maker! If you understand the cardinal rule about separation of powers between the Executive, the Legislature and the Judiciary--- That matter is in the domain of the judiciary. Parliament cannot determine whether the status quo of an issue which is in court should be maintained or not. Parliament cannot give orders on matters in court. In fact, we are prevented from debating matters which are in court. The ruling on whether this matter is *sub judice*, as per our Standing Orders, is going to be given by the Chair on Wednesday next week.

The Minister for Co-operative Development and Marketing (Mr. Nyagah): On a point of order, Mr. Deputy Speaker, Sir. I was supposed to issue a Ministerial Statement about the roles of Econet Wireless Kenya and the Kenya National Federation of Co-operatives. You have now given the new ruling, which I respect; am I allowed to go ahead, because of the concerns and the pressure from the ordinary co-operators, who feel cheated? Do I have your permission to give it?

Mr. Deputy Speaker: Mr. Minister, I do know that you are supposed to give a Ministerial Statement on the Kenya National Federation of Co-operatives and the Rolling out by the Econet Wireless Kenya. Your Ministerial Statement will await the disposal of this issue, so that we can determine whether the subject matter of the Question can be treated as being *sub judice*. Under the circumstances, you have to wait until that is determined.

Mr. Ruto: On a point of order, Mr. Deputy Speaker, Sir. Under the same principle of separation of powers, the Executive should be allowed to issue the Ministerial Statement on a matter of national interest like this one. It affects members of the co-operative movement and the Minister is here. We represent the members of the co-operative movement. If we are to go by your ruling, it is too draconian. These same Ministers have been giving statements---

Mr. Deputy Speaker: Order, Mr. Ruto! The rules of the House cut both ways on Backbenchers and Ministers. There are no exceptions. There are no sacred cows in the House. The rules apply to everybody. If a matter is *sub judice*, a Minister cannot issue a Ministerial Statement on the same. You will have to hold your horses until the Chair gives a ruling on the matter. The Chair does not have the powers to allow a matter that is *sub judice* to be discussed in the House!

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

Mr. Deputy Speaker: Order, Mr. Mbadi! You are out of order!
Next Question by Mr. J.M. Kamau.

(Resumption of Oral Answers to Questions)

Question No.291

ASSESSMENT OF UNEXPLODED BOMBS
IN GITURA DIVISION

Mr. J.M. Kamau asked the Minister of State for Defence:-

- (a) whether he can confirm that there are bombs in Gitura Division, Kandara Constituency since colonial times and that there are army officers guarding them on a daily basis; and,
- (b) whether he could table the assessment report on the bombs and give an assurance that they pose no threat to the public, now or in future.

Mr. Deputy Speaker, Sir, this Question was asked last time. I thank you for giving an order

that the Assistant Minister takes it seriously. Indeed, I would also like to thank Maj-Gen. Nkaisserry---

Mr. Deputy Speaker: Could you ask the Question and allow the Minister to answer it, unless you want to withdraw it?

Mr. J.M. Kamau: No! No! I wish to ask Question No.291.

Mr. Deputy Speaker: Hon. Assistant Minister, proceed and answer the Question!

The Assistant Minister for Defence (Maj-Gen. Nkaisserry): Thank you, Mr. Deputy Speaker, Sir.

You will recall that on 8th of this month, I, as usual, effectively answered the Question raised by the hon. Member for Kandara Constituency. I undertook, under your direction, to take the hon. Member to

my office at Ulinzi House. You remember he said that he has never been to Ulinzi House. I took him to Ulinzi House and gave him a cup of tea. I instructed the bomb disposal experts--- I planned and prepared a vehicle and within an hour, I took the hon. Member to the alleged site of bombs. The hon. Member can confirm to this House that the site he was claiming to have bombs is a military installation housing a telecommunication facility. The hon. Member came back and confirmed to me that he was very much satisfied that there are no bombs in his constituency.

Thank you, Mr. Deputy Speaker.

Mr. J.M. Kamau: Mr. Deputy Speaker, Sir, what the Assistant Minister has said is, indeed, true. I was able to walk into the defence headquarters without any problem. But that was just because I was in his car.

(Applause)

What he has said is true. I also thank the Assistant Minister because he gave orders and we travelled to Kandara Constituency. We were able to go and see the site with a military officer who was a bomb expert. We saw only what was on the ground. Otherwise, there was something underground which they called a cell. I was made to understand that it was a military communication gadget which could not be opened. However, I have no point of doubting him because they are Kenyans and I am sure they have the Kenyans' interest at heart. For that, I wish to rest my case.

POINTS OF ORDER

STATUS OF NSSF INVESTMENTS IN DISCOUNT SECURITY SERVICES LIMITED

Mr. K. Kilonzo: Thank you, Mr. Deputy Speaker, Sir. I rise on a point of order to seek a Ministerial Statement from the Minister of Labour on the following:-

(a) Could the Minister confirm that Discount Security Services Limited, which is currently under receivership, had been contracted, without the Board's approval, to handle money for shares on behalf of National Social Security Fund (NSSF)?

(b) Could the Minister confirm to this House how much money was invested by Discount Security Services if, indeed, it is to the tune of Kshs3 billion; money for peasant workers?

(c) How much of that Kshs3 billion has been rescued? Could the Minister also tell us the last time Discount Securities Services Limited remitted shares certificates to NSSF?

The Minister should also tell us that, in view of the financial scandals that have afflicted NSSF for the time being, what urgent remedial measures he is taking to secure the assets of the workers?

(d) Lastly, I want the Minister to tell this august House what is liquidity position of NSSF *vis-a-vis* the liabilities.

Thank you.

WHEREABOUTS OF MR. FELICIEN KABUGA

Mr. Linturi: Thank you, Mr. Deputy Speaker, Sir. I rise to demand a Ministerial Statement from the Minister of State for Provincial Administration and Internal Security.

Mr. Deputy Speaker, Sir, Kenya has been accused of harbouring international fugitives and terrorists for committing crimes against humanity and other terrorist acts. Could the Minister in charge shed light on the following:-

(a) Whether the chief architect of the Rwanda Genocide, Mr. Felicien Kabuga, has been operating from Kenya and, if so, when he entered the country; where he is living; whom he is doing business with and what names he is trading by.

(b) Which financial institutions and companies he has been dealing with and who are his bankers?

(c) What is the Government's position regarding complaints raised by the International Criminal Tribunal for Rwanda on the alleged involvement of senior Government officials; that is the Ministers and senior security officers in the massive cover-up regarding the wanted fugitive.

(d) Finally, whether the wanted terrorist, Mr. Fazul Abdulla Mohamed exists or is a creation of the Kenya and American intelligence agencies.

Thank you.

Mr. Deputy Speaker: Hon. Minister for Labour, when are you going to give a Ministerial Statement on the matters raised by Mr. K. Kilonzo?

The Minister for Labour (Mr. Munyes): Mr. Deputy Speaker, Sir, the matter is already under investigation and I hope to respond on Tuesday next week.

Mr. Deputy Speaker: Hon. Minister of State for Provincial Administration and Internal Security, when are you going to respond on the matter raised by Mr. Mithika Linturi.

The Assistant Minister for Provincial Administration and Internal Security (Mr. Ojode): Mr. Deputy Speaker, Sir, I will be able to give a Ministerial Statement on Thursday, next week.

Mr. Deputy Speaker: Indeed. The Right Honourable Prime Minister has a Statement to make.

PRIME MINISTERIAL STATEMENT

CONCESSIONING OF KENYA RAILWAYS

The Prime Minister (Mr. Raila): Mr. Deputy Speaker, Sir, I wish to issue the following statement sought by Mr. C. Kilonzo regarding the current status of the concession of the Kenya Railways, freight and passenger services, to the Rift Valley Railways Kenya Limited.

Mr. Deputy Speaker, Sir, in order to inject new investments and improve service delivery, the Government of Kenya *via* an agreement dated 23rd January, 2006, granted the Rift Valley Railways Kenya Limited an exclusive concession; that is the right to use assets of the Kenya Railways Corporation for freight services for 25 years and passenger services for five years. In consideration of the concession rights, RVR committed *inter-alia*, to pay an entry fee of US\$3 million, an annual concession fee of 11 per cent of the gross revenues, US\$1 million *per annum* for passenger services, rehabilitate and maintain the track, locomotives, rolling stock, buildings and

structures, marine installations and other conceded assets, invest a minimum of US\$5 million *per annum* in providing the freight and passenger services, achieve certain minimum freight volume targets, maintain certain minimum speed targets and ensure health and environmental safety.

Mr. Deputy Speaker, Sir, the RVR took over the conceded assets on 1st November, 2006. However, performance of the concessionaire has so far been below the contractual obligations. On 6th August, 2008, I, as the Prime Minister of the Republic of Kenya, convened a meeting of all stakeholders in the concession, namely; the shareholders of the RVR being Sheltam Rail Company Ltd, 35 per cent; Trans Century Ltd, 20 per cent; Prime Fuels Ltd, 15 per cent; Centum Investments Ltd, 10 per cent; Mirambo Holdings Ltd, 10 per cent, and Bevok and Brown Ltd, 10 per cent. The meeting also included lenders to the concession, being the IFC and the KFW, representatives of the Government of Kenya and Uganda, and other potential lenders and legal advisors to the concession who were invited at the request of the shareholders. The meeting agreed that:-

(i) a new independent board of directors and professional management be installed immediately by the shareholders

(ii) the RVR prepares and presents to the two Governments a comprehensive investment plan not later than 18th August, 2008 with clear time lines for implementation

(iii) the shareholders inject new capital of US\$40 million by 30th October, 2008 with the first instalment of US\$10 million being paid in by 31st August, 2008

(iv) additional debt for infrastructure development be procured

(v) the IFC and the KFW remain committed to advance the US\$54 million in addition to the US\$10 million already advanced to the concessionaire

(vi) the limitation in the concession prohibiting the construction of a parallel railway line be removed and the concession agreement amended accordingly. This means that the Kenya Government can put up another parallel railway line.

(vii) the two Governments proceed to undertake feasibility study for the construction of a new standard gauge railway line.

(viii) the requirement for the lead investor to maintain a minimum of 35 per cent shareholding be removed from the agreement (ix) the new arrangements do not constitute a waiver of any accrued rights under the concession

As of today, one, a new board and management team have been installed at the RVR. Two, on 15th August, 2008, the RVR prepared and submitted to the two Governments a comprehensive investment plan proposing investments of over US\$207 million in the next five years. This has been reviewed by the two Governments and is being adjusted accordingly. No new capital has been injected so far by the RVR, but they have undertaken to do so by 31st October, 2008. The Government remains cautiously optimistic about the concession. Firm decisions will be made after 31st October, 2008.

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, in view of what the Prime Minister has said, no money has been paid out, but the deadline has not expired. He has also said that firm decisions will be made after 31st October, 2008. In that respect, could I request the Chair to ask the hon. Prime Minister to come back to the House after 31st October, 2008, and give us a report on the same?

The Prime Minister (Mr. Raila): Mr. Deputy Speaker, Sir, we have no problem at all. It does not really have to be the Prime Minister. The Minister for Transport will be happy to come and give that Statement.

Dr. Khalwale: Mr. Deputy Speaker, Sir, with regard to the case of the RVR, Kenyans would like to know in advance, as we wait for that deadline, what these firm decisions that the Prime Minister is going to take are.

The Prime Minister (Mr. Raila): Mr. Deputy Speaker, Sir, of course, there are several options that are available to the Government in the agreement that was signed. The Governments

of Kenya and Uganda are the main affected parties in this matter. Therefore, in consultation with the Government of Uganda, we will be able to take several options which are available. One of them, for example, is to review the concession agreement itself and see if it is possible to terminate it. Under the agreement, a comprehensive review of performance is certainly not due until June next year. However, we have taken this action in advance because of the negative effects that the non-functioning of the railway is having on the economies of our two countries.

BILLS

Second Reading

THE SACCO SOCIETIES BILL

(The Minister for Co-operative Development and Marketing on 9.10.2008)

*(Resumption of Debate interrupted
on 9.10.2008)*

Mr. Deputy Speaker: Mr. Kathuri was on the Floor. Is he present? He is not in. Does anybody else want to contribute to this Bill?

Mr. Mureithi: Thank you, Mr. Deputy Speaker, Sir. I rise to support the SACCO Societies Bill. This is a privilege for me because I was present when the name "SACCO" was originally created in 1985. It came as a result of a lot of research and we had to abbreviate the long name to come up with "SACCO".

The co-operative financial intermediation, through the saccos, is very necessary for a low-income country like Kenya. If we do not have intermediation, we still become subject to the mercies of the banks and the shylocks in the nation. Therefore, the enactment of the SACCO Societies Bill will go a long way in supporting the financial intermediation in this country as it has happened in many other developed countries.

Mr. Deputy Speaker, Sir, I would like to submit that SACCOs are finding it difficult to survive at the moment because of the onslaught of the major commercial banks. They lack effective governance structures and internal controls. By establishing the SACCO Societies law, it will enable the Minister and the relevant Authority to make effort in looking at the management and effectiveness within the governance structure and internal controls of SACCOs. If we were to wait longer without enacting this Bill, we will go the same way South America, went where the credit unions started failing one by one and created a domino effect where all other large SACCOs failed and finally, they pulled down the banks in the countries in South America. They had to sit down and reinvent the wheel so that they could start credit unions once again and enact laws that would support even the commercial banks.

Therefore, this SACCO Societies Bill goes a long way to protect such a domino effect that might take place here, where large SACCOs would fail and pull down with them all other SACCOs, including large financial and banking institutions.

Mr. Deputy Speaker, Sir, therefore, we must go ahead and protect these SACCOs through this law so that we avoid failing, the way they did in South America and then be able to strengthen them in order to provide intermediate financing within communities in this country. I would like to say that as we go ahead in supporting this Bill, we must create different models in terms of lending that will cushion the future growth of this country. SACCOs are creating that vehicle of development in this nation because we do not have any other source of affordable funding apart from them. Since they can now leverage in terms of their strength, they will be able to bring down

the interest rates because right now, they charge at 1 per cent per month which amounts to 12 per cent per year on a declining interest rate. This means that they will be able to stabilise the current interest rates which most Kenyans are finding difficult to service. Therefore, I would like to submit that SACCOs are going to be instruments of development. For us to achieve the dream of the Millennium Development Goals (MDGs) and Vision 2030, we need to strengthen them.

Mr. Deputy Speaker, Sir, I am very grateful to the Minister for Co-operative Development and Marketing for having embraced the issue of SACCOs such that nobody in this country will be allowed to start a SACCO without due diligence and compliance with the SACCO law. I am very grateful to the Minister because when that was being submitted to him, he accepted that anybody who wants to form a SACCO must follow the structure.

I am also very proud to see that the Bill will provide some comfort to the depositors by establishing a Deposit Guarantee Fund (DGF) equivalent to the Deposit Protection Fund (DPF). Right now, when co-operatives "die", particularly the credit union of the SACCO co-operatives, the depositors are left at the mercy of the management. Now, with the law in force, what will happen is that, the depositors will be able now to recover a bit of their money which they have not been able to, hitherto to this Bill. I think this should be looked into and that fund should be protected to avoid a situation similar to what is happening in the National Social Security Fund (NSSF) where a fund becomes too large and it becomes a subject of abuse. Therefore, I would like to submit that, that fund must be looked into with a toothcomb and must be protected so that depositors will feel comforted.

Mr. Deputy Speaker, Sir, I would also like to submit that the fact that we are now able to separate deposits from shares--- This is an issue that has bothered depositors because their money never grows into value. Now, their money is going to grow into value such that we can credit and the SACCOs can even now ask the stock market to be allowed to go to the alternative table where right now they are locked out of the resources of this country. Considering what we saw with the Safaricom Initial Public Offer (IPO), Kenyans have a lot of money. If we were to allow SACCOs to create value through a market like the stock market without going through the rigours as it is required today, it could create a source of income for the development of this nation. Right now, we do not have that vehicle. We go through difficulties. However, SACCOs are now going to provide that avenue that is going to create funds which are affordable to our people in this nation.

As I stated, we are a low income country and all we require is enough injection of capital into this system and an alternative table where over the counter trading that is established in the stock market will give light to our SACCOs. They will make them not only local but they will become international institutions.

Mr. Deputy Speaker, Sir, if you look at the models in the Scandinavian countries, that is how they started. If you look at the Rabobank in Poland which is the only bank worldwide that commands Triple A (AAA) in the banking world, it started as a credit union. Look at the model in America. You can pay all your bills through the credit union. Why not Kenya? I know there are a lot of people who are opposed to this Bill but I am pleading through you that we embrace it because it is going to become a fact and as a stimulant to the growth of this nation.

Mr. Deputy Speaker, Sir, once we do that, the regulation, supervision and inspection of these institutions will be of paramount importance. This is because we will have to now start monitoring the performance of each individual credit institution. So, the Minister must be able to recruit enough staff because we have so many of them. They are over 4,000 credit unions. He must have enough personnel in order to track down on their performance and be able to monitor them so that we do not have crooks coming and taking over these SACCOs and going away with the money of the people. Since they are scattered all over the country, I would beseech the Minister to move

with speed to introduce the E-Government system within his Ministry so that he can link all of them to a central point for purposes of monitoring and evaluation of the SACCOs.

Mr. Deputy Speaker, Sir, I would also like to say that because of this SACCO Bill, Kenya will now see a different format in terms of creating a new source of funding for rural development, industrialisation and solve the unemployment crisis that we have in this country. If these SACCOs are properly monitored and directed through proper governance, we are likely to see this country developing much faster than we anticipated.

With those remarks, I support.

Mr. Mututho: Mr. Deputy Speaker, Sir, we debated this Bill at length last week and contributed all the good points that we could. Would I be in order to ask the Mover to reply?

Mr. Deputy Speaker: Hon. Members, is that the mood?

Hon. Members: Yes, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Since I cannot see any other hon. Member standing to contribute, then the Mover can reply.

The Minister for Co-operative Development and Marketing (Mr. Nyagah): Thank you, Mr. Deputy Speaker, Sir. I wish to thank the very many Members of Parliament, who last week contributed to this very important Bill; the SACCO Societies Bill, 2008. The points that they made are welcome.

As I indicated on Thursday when this Bill was introduced, the relevant Departmental Committee had gone through it in great detail. They had spent a lot of time. They had brought in experts to look at it. They had interviewed Members of Parliament, my Ministry officials and several stakeholders in the co-operative movement from the Kenya Union of Savings and Credit Co-operatives (KUSCO), the Co-operative Insurance Company (CIC) and rural SACCO people. They had interviewed everybody. I would like to thank every single person who has assisted us.

Mr. Deputy Speaker, Sir, as we were told from the beginning, it has taken close to three years for this Bill to come to the Floor of this House partly because of misunderstandings and people who were opposed to it. However, I am happy that this House has demonstrated to those who feared that they will be disadvantaged by this Bill going through, that they have nothing to fear and worry about. This Bill is very good. It will encourage competition in the financial sector. As you know, in the financial sector, commercial banks, mortgage funds, investment banks and SACCOs are competing for the financial base of this country.

[Mr. Deputy Speaker left the Chair]

*[The Temporary Deputy Speaker
(Prof. Kamar) took the Chair]*

Madam Temporary Deputy Speaker, so, there is no reason for them fearing. I do not encourage people to fear. There is enough competition between the institutions that I have mentioned and every single one of them is going after the money that is in the economy. I would like to thank those institutions and request them to support our movement.

Madam Temporary Deputy Speaker, every speaker who has spoken has clearly stated that this is a pro-poor Bill. It is one of those Bills that the Government has introduced to deal with the issues of helping the poor and the salaried people of this country. These are the people who have struggled in the past because they have had no access to the formal economy and credit as we know it, particularly those in urban poor and the rural areas.

I wish to confirm that I have taken into account all the comments on the proposed amendments by the House Committee. I also wish to confirm that the comments made about the Authority that will supervise the SACCOs will be taken into account. I am comfortable with the

views expressed about the board appointments. Members of this House indicated alike that the four members of the board that will be nominated by the Minister take into account gender and youth. The board should be comprised of members who have a history and track record in the co-operative movement. It is also understood that three members come from the Government side, because of the importance of this activity.

I also wish to confirm that I will ensure that all of us work very hard together to ensure better governance of SACCOs as is intended by this Bill. We will also ensure better regulation and investment policies. As Members said, we would like to see better credit policies. We will work together to ensure that this happens.

Everybody who has spoken has supported the concept of the Deposit Guarantee Fund. I wish to confirm that we will take into account your views when we come to the Committee of the whole House where there could be a few amendments in order to strengthen the Deposit Guarantee Fund that will definitely help our people who very often find themselves with nothing once they have lost their savings.

Madam Temporary Deputy Speaker, there is no question in my mind that I have the full support of the House and that the hon. Members want to see better management of our SACCOs. That is, indeed, what we intend to do. This Bill will effectively play this role.

Madam Temporary Deputy Speaker, there has been a big debate about the role of commercial banks and deletion of Clause 32. I am happy that we have all agreed that there is need for SACCOs to continue enjoying the rights that they have had. They should continue issuing bank cheques, open savings accounts and so on. SACCOs should not fear because I fully support deletion of that Clause. SACCOs can continue enjoying what they have been doing. I am told that in law, there is something called "acquired rights." They have acquired these rights and it would be unfair to remove those rights of the activities that they are involved in if suddenly they were to be curtailed. But in the same breadth, let me say that commercial banks have nothing to fear. In fact, I do see a situation where commercial banks will work closely with the SACCOs in order to strengthen each other. I see a situation where commercial banks will be looking - as they already are - for SACCOs to work together for the good of every single one of us. Madam Temporary Deputy Speaker, hon. Mureithi has raised the issue of deposits *vis-a-vis* shares. It was raised by the Committee and we went through it in great detail. At the moment, when you put your money in a SACCO, it is not clear what are the deposits and shares. There has been a major problem sometimes in defining the capital of a SACCO. The new method that will be used as a result of the amendment that has been proposed will make it very clear as to what are shares. So, as each person contributes, they know their shares. But in exchange, those deposits would earn some interest. Therefore, the dividends would come down to the individuals. But it is important for accounting purposes and maintaining international standards of accounting, that this be done. That is why it has been introduced by the Committee on Agriculture, Lands and Natural Resources that looked at it in great detail.

Madam Temporary Deputy Speaker, SACCOs are creating a saving culture. This morning, I had the privilege of meeting close to 200 *Jua Kali* associations and SACCOs of Nairobi. I encouraged them - and I think I succeeded - to merge and create one very big SACCO for the *Jua Kali* sector in Nairobi. In a country where we have about six million *Jua Kali* workers; if they were all to join together and create a SACCO, we all can imagine the kind of savings and magnitude of the monies that they would be able to save. The other day, as I said, in Nyanza, I was able to convince fishermen to save only Kshs100 a day from the Kshs500 or Kshs1,000 that they earn in a day. Those SACCOs are going to be very critical for creating a saving culture. I would like to appeal to Kenyans to join our increasingly better managed SACCOs, so that we encourage the culture of saving in this country. This is because we must save for our future. We get old very quickly. When you are young person, you do not realise how quickly you get to the age of 60 years

or 70 years. You need to have those savings. There is no better way of saving than joining a SACCO.

Madam Temporary Deputy Speaker, we all know that 30 per cent of all our financial requirements are met by the SACCOs. Therefore, this is critical to the development of our country.

Many Members of Parliament requested the Government to channel the devolved funds for the youth and women groups via the well-managed SACCOs. I am happy that in some areas this is happening already. I would like to encourage the Ministries involved to channel more funds. At the same time, encourage those people running efficient SACCOs to come forward to the Ministries involved and ensure that we get some of that money. It is a lot of money. It is possible for this money to be channelled through well managed SACCOs. As I have gone round the country, I have realised that some SACCOs are not aware that it is their right to go and explain their case to the appropriate Ministries, so that some of those devolved funds that the Government is channelling to the constituencies are, in fact, channelled through them.

I wish to thank the Members of Parliament because I know they have been able using the Constituencies Development Fund (CDF), to encourage their committees to bank with strong and efficient SACCOs. I would encourage them to continue doing so. By so doing, they are encouraging the growth of a very important pro-poor movement called the SACCO movement.

Madam Temporary Deputy Speaker, there is no question that the creation of employment is a major step for this Government. As we keep on talking of Vision 2030, what a better way of creating employment in the rural and urban poor areas than creating SACCOs that will create employment opportunities for our people. I have also been talking to many donors. Donors are willing to channel some of their funds through efficient SACCOs. That is why it is important; therefore, given that, that is the development that we are coming across, we should ensure that we have SACCOs supported by the Government, donors and companies as a way of reaching our people at the grassroots, who need that kind of help.

As I went round, I was also told that there are serious problems of pyramid schemes in this country. Part of it is because when our people have no option, and when what they

perceive as good opportunities come about, they get tempted and get into pyramid schemes which then cause problems for them later on in their lives. This is very sad for our people. So, having many SACCOs at all levels, at the market level and small towns, the effect is that the temptation to put money in programmes that might be speculative, or schemes that could put our people in trouble later on and then they start looking to the Government for help--- This problem will be solved by ensuring that SACCOs are at the grassroots and village level, where people can make their money legitimately and without fear, because they know the people managing the SACCOs.

Those are some of the comments that I picked up from this House. They are in addition to what the Departmental Committee on Agriculture, Lands and Natural Resources and the many stakeholders recommended during the discussions that have taken almost three years. I hope that when we come to the Committee Stage, this House will give us the same support that it has given us so far in order for us to incorporate crucial amendments before we pass this Bill and make it effective.

I wish to confirm that once it is through, I will ensure that the rules that will govern the movement will be fair to all. The rules to manage the activities of SACCOs and the authority to be started will be such that they will be fair to every Kenyan, and that every Kenyan will feel that we created an authority to help them. It will not be an authority to suppress them or create chaos in the market place but one that will encourage growth. So, the amendments that have been proposed will be incorporated into Bill along the lines I have indicated.

Madam Temporary Deputy Speaker, with those few words I say thanks to every Kenyan out there in the villages, towns and markets, who has supported---

Madam Temporary Deputy Speaker, I beg to move.

(Question put and agreed to)

*(The Bill was read a Second Time
and committed to a Committee of
the whole House tomorrow)*

THE ANTI-COUNTERFEIT BILL

The Temporary Deputy Speaker (Prof. Kamar): Minister for Industrialization! The Minister and the Assistant Minister are not here; we even have here the departmental staff!

(Bill deferred)

Next Order!

THE KENYA COMMUNICATIONS
(AMENDMENT) BILL

The Temporary Deputy Speaker (Prof. Kamar): Minister for Information and Communications! Assistant Minister!

Mr. Mututho: On a point of order, Madam Temporary Deputy Speaker. Indeed, this is too serious; everybody is now talking about us. We have two whips from the Government side. There is no reason on earth why this thing should be going like this. Could you issue a ruling? I think we have four whips, yet we are being accused and people are at the coffee place. Could you issue a ruling, so that we know whether we have Government whips or not? We can come back to the House and elect other whips? We cannot keep on interrupting the business of the House, just because some people are too lazy to work, and others are too lazy to remind themselves that they should come and work

Temporary Deputy Speaker (Prof. Kamar): Is there anybody who wants to talk on behalf of the Leader of Government Business? May I first rule that the Government whips have nothing to do with the Cabinet Ministers coming here. It is for the Government to organise itself. So, I would have expected somebody representing the Government, if

there is any who has been sent by either of the two Ministers, to stand up and say something.

Mr. Muthama: Madam Temporary Deputy Speaker, I just want to thank you for clarifying the position of the whips. Indeed, the Chief Whip has no responsibility whatsoever to order Ministers to come and reply to Questions here, or to contribute on issues concerning their Ministries. It is the responsibility of the Ministers to be in the House!

(Mr. Mbadi stood up in his place)

The Temporary Deputy Speaker (Prof. Kamar): Is it a point of order on the same point, or is it something else?

Mr. Mbadi: On a point of order, Madam Temporary Deputy Speaker. While I agree that

the whips are not supposed to whip the Ministers, could we challenge the Leader of Government Business---

The Temporary Deputy Speaker (Prof. Kamar): You are out of order, Mr. Mbadi! I have already ruled on that. The Chief Whips have nothing to do with the Government. It is the Leader of Government Business in the House who should be responding. I think the absence of both the Leader of Government Business and the two Ministers--- I think we will have to discuss their absence. The Chair will have to rule on their absence later.

(Bill deferred)

ADJOURNMENT

The Temporary Deputy Speaker (Prof. Kamar): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until Tuesday, 21st October, 2008 at 2.30 p.m.

The House rose at 4.47 p.m.