

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 17th July, 2008

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

Report of the Departmental Committee on the Administration of Justice and Legal Affairs on the Criminal Procedure Code Amendment Bill 2008 and the minutes of the Committee that approved those amendments.

(By Mr. Abdikadir)

Sessional Paper No.2 of 2008 on National Livestock Policy

*(By the Minister for Livestock
Development)*

Annual Report and Accounts of the Registration of Accountants Board for the year ended 30th June, 2007 and the certificate thereon by the Controller and Auditor-General.

Annual Report and Accounts of the Registration of Certified Public Secretaries Board for the Year ended 30th June, 2007 and the certificate thereon by the Controller and Auditor-General.

*(By the Minister for Livestock
Development) on behalf of the
Minister for Finance)*

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

*(By the Minister for Livestock
Development) on behalf of the
Minister for Regional
Development Authorities)*

Annual Report and Accounts of the Kenya Medical Laboratory Technicians and Technologists Board for the year ended 30th June, 2006 and the certificate thereon by the

Controller and Auditor-General.

Annual Report and Accounts of the Kenya Medical Laboratory Technicians and Technologists Board for the year ended 30th June, 2007 and the certificate thereon by the Controller and Auditor-General.

*(By the Minister for Livestock
Development) on behalf of the
Minister for Medical Services)*

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

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

*(By the Minister for Livestock
Development) on behalf of the
Minister for Education)*

Annual Report and Accounts of the Kenya National Library Services for the year ended 30th June, 2007 and the certificate thereon by the Controller and Auditor-General.

*(By the Minister for Livestock
Development on behalf of the
Minister of State for Heritage
and Culture)*

Annual Report and the Abstract of Accounts of the Town Council of Kajiado for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the Town Council of Murang'a for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General.

Annual Report and the Abstract of Accounts of the County Council of Malindi for the year ended 30th June, 2006 and the certificate thereon by the Controller and Auditor-General.

*(By the Minister for Livestock Development)
on behalf of the Deputy Prime Minister
and the Minister for Local Government)*

NOTICES OF MOTIONS

ADOPTION OF SESSIONAL PAPER NO.2 OF 2008 ON NATIONAL LIVESTOCK POLICY

The Minister for Livestock Development (Dr. Kuti): Mr. Speaker, Sir, I beg to give notice of the following Motion:-

THAT, this House adopts Sessional Paper No.2 of 2008 on the National Livestock Policy laid on the Table of the House today, Thursday, 17th July, 2008.

EQUITABLE DISTRIBUTION
OF DEVOLVED FUNDS

Dr. Eseli: Mr. Speaker, Sir, I beg to give Notice of the following Motion:-

THAT, aware that devolution has been implemented successfully through Funds such as the CDF, the Roads Fund and the Youth Enterprise Development Fund; noting that apart from the CDF, there is no criteria used to determine allocation which means that constituencies receive equal amounts of money regardless of their peculiarities such as size, population, poverty levels and HIV prevalence; cognisant that continued uniform distribution of funds perpetuates unequal development, this House urges the Government to ensure that distribution of devolved funds presently, and in future, takes into consideration all factors that may influence the impact of such funds in order to remedy this situation and ensure equity in the distribution of national resources.

CREATION OF ADMINISTRATIVE DISTRICTS
BASED ON CONSTITUENCIES

Mr. Kaino: Mr. Speaker, Sir, I beg to give Notice of the following Motions:-

THAT, aware that many countries are decentralizing their Government structures to better respond to local needs; realizing that centrally administered programmes do not always provide for effective programme delivery at the local level; aware that the Government has created a district in a number of constituencies on one to one basis, this House urges the Government to create administrative districts on the basis of the existing constituencies with a minimum of three divisions to every district across the board.

CONSTITUTION OF SELECT COMMITTEE
TO INVESTIGATE ROOT
CAUSES OF CATTLE RUSTLING

THAT, aware that cattle rustling has become a persistent security problem in the North Rift Valley and other parts of the country; further aware that the practice has its roots in traditional practices of the communities involved; cognisant that in order to eradicate it there is need to understand its causes; this House resolves to constitute a Select Committee to investigate the root cause of cattle rustling and those behind the vice, and that the Select Committee reports its findings to the House within eight months, and further that the following be members of this Committee:

The hon. Boaz Kaino; MP,
The hon. Raphael Letimalo; MP,
The hon. Wilson Litole, MP;
The hon. Ntoitha M'Mithiaru, MP;
The hon. Sammy Mwaita, MP;
The hon. Joshua Kutuny, MP;
The hon. Hussein Sasura, MP;
The hon. Maison Leshomo, MP;
The hon. Peris Chepchumba, MP;
The hon. Lucas Chepkitony, MP;

The hon. Ekwee Ethuro, MP;
 The hon. Edwin Yinda, MP;
 The hon. Eugene Wamalwa, MP;
 The hon. Elias Mbau, MP.

QUESTIONS BY PRIVATE NOTICE

WITHHOLDING OF PARA-LEGAL STUDENTS' CERTIFICATES BY KENYA SCHOOL OF LAW

Mr. K. Kilonzo: Mr. Speaker, Sir, I beg to ask the Minister for Justice, National Cohesion and Constitutional Affairs the following Question by Private Notice:-

(a) Why is the Director of the Kenya School of Law withholding certificates for the para-legal students who completed their courses during the years 2001, 2002 and 2003 respectively, resulting in loss of employment and promotion opportunities?

(b) When will he release the certificates?

(c) When will the students who were referred in various papers at the school sit for their supplementary examinations?

The Assistant Minister for Justice, National Cohesion and Constitutional Affairs (Mr. Kipkorir): Mr. Speaker, Sir, beg to reply.

(a) The paralegal training programme held at the Kenya School of Law between 2001 and 2003 was initiated without the approval of the Council of Legal Education. It, therefore, became necessary to seek the ex-post facto ratification and approval of the programme by the requisite committee and the council before certificates could be issued. This regrettably took some time to complete.

(b) The Council of Legal Education at its meeting held on 16th November, 2007 authorised the issuance of the certificates to students who passed the course with immediate effect. The certificates are being issued, and several applicants have already collected their certificates.

(c) The school has developed a curriculum for a new para- legal training programme at the diploma level. A stakeholders workshop is scheduled to take place from the 12th to 16th of August, 2008 to deliberate on and approve the programme. Once it is approved, the programme will be advertised in the local dailies for formal subscription. Students who subscribed to the previous course will be given priority if they qualify for admission.

Mr. K. Kilonzo: Mr. Speaker, Sir, this is a great day to have an Assistant Minister like this one who has done a good homework. He has given a good answer. I wish the Leader of Government Business is taking note of that, so that this Assistant Minister can be given a medal by the President.

(Applause)

Mr. Speaker: Very well, Mr. Assistant Minister, you deserve that comment. On this, you have done extremely well!

MEASURES TO PROTECT PROPERTY RIGHTS OF LAMU PEOPLE

(Mr. Twaha) to ask the Minister of State for National Heritage and Culture:

(a) Is the Minister aware that some officers at the National Museums of Kenya are

planning to appropriate private properties in Shela, in Lamu Island and convert them into a "World Heritage" centre without compensation to the owners?

(b) What urgent steps is the Minister taking to ensure that constitutionally guaranteed property rights of Lamu people are not violated?

Mr. Speaker: Is Mr. Twaha not here? The Question is dropped!

(Question dropped)

MEASURES TO PROTECT UASO
NYIRO NORTH RIVER
FROM DRYING UP

(Mr. Bahari) to ask the Minister for Water and Irrigation:-

(a) Is the Minister aware that Uaso Nyiro North River is drying up for a stretch exceeding 100 km between Malka Daka and Habaswein?

(b) Is he further aware that the situation is due to illegal abstraction of river water by the large scale farmers upstream?

(c) What measures is he taking to save the river and end the suffering of the pastoralists downstream Uaso Belt?

Mr. Speaker: Mr. Bahari is also not here. The Question is dropped!

(Question dropped)

ORAL ANSWERS TO QUESTIONS

Question No.018

AMENDMENT OF TRAFFIC ACT TO CATER
FOR OTHER FORMS OF TRANSPORT

Mr. Olago asked the Minister for Transport:-

(a) considering that bicycle and motor cycle taxis now provide the single largest means of public transport in Kisumu and parts of Western Kenya, what the Ministry is doing to amend the Traffic Act to accommodate the emerging traffic and human challenges, so that conflicts between riders, passengers, pedestrians, traffic police and motorists are eliminated; and,

(b) what plans he has to enact legislation to cater for two and-three-wheeler public transport taxis.

The Minister for Transport (Mr. Mwakwere): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that bicycles and motor cycle taxis, commonly referred to as non-motorised and inter-mediate means of transport have posed various challenges to their operators, users and the police.

Under the Traffic Act Cap.403, Laws of Kenya, bicycles and motor cycles are catered for in general. However, their usage as public taxis was not envisioned. My Ministry recognised the challenges and mandated a study team to look into the requirements on infrastructure provision, appropriate legislation, enforcement mechanisms and how these modes of transport can be integrated safely within the current system.

(b) New traffic rules for regulation of 2-and-3-wheeler public transport will be put in place soon, once the study is complete.

Mr. Olago: Mr. Speaker, Sir, the response of the Minister is a clear indication that the Ministry is behind times. The usage of two-and-three-wheeler means of transport as public taxis has been going on in Kenya since 1995. The reason of requesting the Ministry to consider amending the law is inordinately known. In the circumstances, could he confirm to this House that the amendment to the Act will take place as soon as possible? This should be not later than the end of this year.

Mr. Mwakwere: Mr. Speaker, Sir, my Ministry has taken the appropriate action. As I have said, the study is in progress. A Road Safety Review Study was done in late 2004 by the Ministry of Roads and Public Works together with my Ministry. The project which was supported by the Swedish Government, recommended the need for a road safety action-plan that should also incorporate plans for the immediate means of transport or the non-motorised means of transport under discussion now.

The stakeholders consultative process developed a plan, whose overall aim is to reduce fatalities on our roads and cover several aspects from co-ordination to road safety, driving standards, emergency medical services for non-motorised means of transport and road safety research. Once the study is complete, we will be in a position to amend the law. That should be done very soon.

Dr. Khalwale: Mr. Speaker, Sir, while the public is waiting for that law to come in force, the boys who operate in this mode of transport commonly known as *Boda Boda* are harassed seriously if they engage in business after 6.00 p.m. Could the Minister direct that the police should not harass these boys, but instead, they should provide security for *Boda Boda* users and the operators at night?

(Applause)

Mr. Mwakwere: Mr. Speaker, Sir, I think that question is strongly supported by the hon. Members from the feet thumbing that I have heard. We are all concerned here, but a lot can be done by local authorities. Local authorities have the right to enact by-laws that will enforce the utilisation of---

Mr. Chanzu: On a point of order, Mr. Speaker, Sir. This is a Minister of the Government and he is telling us about local authorities. Why can he not admit there is a problem and then take it to the Cabinet? Is he in order?

Mr. Mwakwere: Mr. Speaker, Sir, I said earlier that the process is ongoing. In fact, the National Road Safety Action Plan is here and I am ready to table it.

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

At the same time, I would like to emphasise that we shall have laws to cater for the non-motorised means of transport very soon. We cannot just do that overnight. The study is going on and we are almost through. However, for the safety of non-motorised means of transport and riders, the local authorities have the right to enact by-laws as an interim measure before we publish our law or have the law in place.

Mr. Olago: Mr. Speaker, Sir, the answer demonstrates insensitivity on the part of the Minister to the plight of *boda boda* and *tuk tuk* riders. Since the law does not regulate the operation of two-and-three-wheeler means of transport, could he assure the House that the police will not harass the operators and the riders?

Mr. Mwakwere: Mr. Speaker, Sir, I do not know why the hon. Member has said that I am

insensitive to the plight of 2-and-3-wheeler means of transport operators and users. We are concerned. As I said earlier, we are taking action. However, I would like to confirm here that his concerns have been noted. I am not aware that the police are harassing the operators and the users. I will look into that and I will get the relevant Ministry to ensure that they are no longer harassed.

Question No.116

FINANCIAL STATUS OF KENYA
MEAT COMMISSION

Dr. Eseli asked the Minister for Livestock Development:-

(a) whether he could explain why, in spite of the Government providing over Kshs600 million to the Kenya Meat Commission (KMC) for its revival, the company is still operating at a loss;

(b) whether he could table the KMC's accounts for the past six months; and,

(c) what remedial measures he has taken to put the publicly-funded enterprise back to profitability.

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

(a) In 2006, the Government made a decision to re-open KMC which was under receivership since 1992. The objective of re-opening the factory which has been dormant for the last 15 years was to create a sustainable market for livestock farmers, especially from the Arid and Semi-Arid Lands (ASALs). In order to realise this goal, the Government provided Kshs600 million to clear part of the debt owed to the National Bank of Kenya by the KMC. In addition, the Government has given Kshs1.1 billion towards rehabilitation and operationalization of KMC.

After re-opening of the KMC, there have been challenges which have prevented the company from generating profits at the moment. These include:-

(i) The KMC factory had been dormant for a period of over 15 years. During this period of dormancy, the facility had depreciated extensively due to lack of maintenance, and machines and equipment had become obsolete and, therefore, a substantial amount of money was required for repairs, maintenance and purchase of new equipment.

(ii) The KMC was also re-opened with the objective of processing meat products for the export market and, indeed, the factory had obtained orders from the international market. For example, we had orders from Egypt, United Arab Emirates (UAE), Malaysia, Saudi Arabia and even the Ugandan Army.

Unfortunately, before the factory could start exporting its products, there was an outbreak of the Rift valley Fever in 2007, and, therefore, there was a ban on the export of meat from Kenya. The whole country was aware of that problem.

(iii) The constraint in penetrating the export market meant that KMC had to contend with the local market which it had been out of, for the last 15 years and the vacuum had been tilted by other abattoirs. It may be difficult for the KMC to effectively penetrate the local market. Therefore, it could not effectively utilise its huge installed capacity, hence it was unable to break even as fast as anticipated.

(iv) The post-election violence disrupted the supply of livestock and lowered the demand of meat products. This situation was further aggravated by the subsequent high inflation which increased the cost of operation, thus further eroding the profit margin of the Commission.

(v) The recovery process was further frustrated by the then Managing Commissioner, when he misallocated Kshs295 million, which was meant for rehabilitating and operationalizing the Athi River Plant of KMC. He used the money to rehabilitate the Kibarani Plant in Mombasa.

(vi) The former Managing Commissioner failed to put in place sound financial management systems which resulted in an estimated expenditure of Kshs300 million, which the KMC could not properly account for.

(b) I have here the six months accounts of the KMC. I will table them. It is interesting to note that despite all these difficulties that I have mentioned, KMC, in the past six months, namely, from December, 2007 to May, 2008, had made a profit of Kshs61.9 million, all those hardships notwithstanding.

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

(c) To ensure that KMC continues on the recovery path, my Ministry has put in place the following strategies.

The Inspectorate of State Corporations carried out an audit into the financial and procurement processes of the KMC. This investigation pointed out that the Managing Commissioner was responsible for financial and procurement mismanagement at the KMC. Subsequent to this report, the Minister sacked the Managing Commissioner and instructed the Attorney-General to prosecute him.

The Ministry has directed the KMC Board to engage the services of a consultant to study the operations of KMC in view of a turn-around programme. This consultant has already submitted Phase 1 of the report and is in the process of finalising the second phase, which will then give us a clear recommendation on how to turn around the company to profitability.

The KMC has started contractual agreements with livestock suppliers to ensure continued supply of livestock throughout the year.

The Ministry is in the process now of creating disease-free zones, the first being in Coast Province, to ensure that meat products from the country, if processed at the KMC, could get international export market. This is actually the purpose of revitalising the KMC.

Dr. Eseli: Mr. Speaker, Sir, I think that answer by the Minister has been very comprehensive. A lot of thought has gone into it. Thank you, Mr. Minister. If we got more of these answers, we will all be very happy, and Kenyans will be happier.

However, there is a little bit here. The Managing Commissioner was sent away for the mismanagement that he had done. Why was the Board left in place, because I think the Managing Commissioner could have done this with the Board? So, the Board should also be held accountable. If the Commissioner was removed and prosecution recommended, has it been instituted?

Dr. Kuti: Mr. Speaker, Sir, as I had said, we have put in place a consulting firm which will clearly bring out the weaknesses of the KMC, not just at the Board level, but also in terms of financial and technical management and the machines involved, so that we get a comprehensive report. This will ensure that we do not act in piecemeal. I agree with the hon. Member that the Board has to also have some technical knowledge. Some members must have financial knowledge, some operations of the machines while others must know issues of personnel. At the moment, the Board is composed mainly of political appointees. I think it is important that we have a Board that has some relevance to even livestock trade. So, I fully agree with the hon. Member. But all these will be brought out in the consultant's report, so that we do a major overhaul and not a piecemeal one.

Mr. C. Kilonzo: Mr. Speaker, Sir, now that Kshs295 million which was meant for the KMC was instead transferred to the Kibarani plant, and further Kshs300 million was misappropriated, could the Government consider allocating a further, say, Kshs600 million to

replace the same?

Dr. Kuti: Mr. Speaker, Sir, that had come out very clearly in Phase 1 of the consultant's report. Actually, the figure required is Kshs550 million. We are trying to complete the report from the consultant, so that we present it. So, that is being looked into.

Mr. Njuguna: Mr. Speaker, Sir, thank you for the opportunity to pose the same question that has been raised by Mr. C. Kilonzo. I note with some concern that Kshs295 plus Kshs300 million was misappropriated by the Managing Commissioner. I also note that this Commissioner was sacked and he is somewhere. Could the Minister have made an effort or taken action to recover this money, probably hidden somewhere by this sacked Managing Commissioner?

Dr. Kuti: Mr. Speaker, Sir, in my letter which I have here, all those details are indicated. We have advice based on the State Corporations' audit report. I think the necessary action is being taken against the officer concerned, both in terms of prosecution and recovery of Government funds.

Mr. Abdirahman: Mr. Speaker, Sir, I have no doubt that under the watch of the hon. Minister, there will be some difference at the KMC.

However, I would want to know what has come out of the abattoirs that were planned by the Ministry sometimes towards the end of last year, in our region or any other region where they had promised to do something about them.

Dr. Kuti: Mr. Speaker, Sir, it is true that funds, through some donor agencies, have been set aside for the creation of satellite abattoirs in Isiolo and Garissa. Another one is already operational in Lokichoggio. There are a total of four others which are awaiting. I am in the process of rationalising these abattoirs in such a way that they have synergy towards even the revitalisation of the KMC, so that there is a way of co-ordinating their activities, so that they do not end up being--- The way I looked at it and saw the report, they will end up being local councils' run butcheries. I need to change that focus, so that we have a system where those abattoirs are able to provide synergy in the activities of the KMC at the national level, so that we could even export meat from those abattoirs if proper infrastructure is in place. For example, in Isiolo there is an airport coming up. Therefore, these abattoirs should be developed to a level where the animals which are slaughtered there can actually be flown out to Gulf States or wherever for export. The same will apply to Garissa and Lokichoggio. It was initially designed for local butcheries. I want to change from that to have a synergy to the level of the KMC plant in Nairobi.

Mr. Speaker: Last question, Dr. Eseli!

Dr. Eseli: Dr. Kuti, the Minister for Livestock Development, you are definitely at the right place at the right time.

(Applause)

Mr. Speaker: Next is Question No.144. The Chair has information that the hon. Member for North Imenti is away on Parliamentary Business.

So, we will move to the next Question by Mr. C. Kilonzo.

Question No.144

UPGRADING OF TUTUA POLICE
POST TO A POLICE STATION

(Question deferred)

*Question No.180*MEASURES TO EASE TRAFFIC
JAMS IN NAIROBI

Mr. C. Kilonzo asked the Minister for Nairobi Metropolitan Development what action the Government is taking to urgently address the serious problem of traffic jams in Nairobi.

The Minister for Nairobi Metropolitan Development (Mr. M. Kilonzo): Mr. Speaker, Sir, before I reply, I would like to apologise to my colleague, hon. C. Kilonzo because the answer was only supplied to him late this afternoon. It could not have been done earlier.

I beg to reply.

My Ministry has undertaken the following activities to decongest the Nairobi Central Business District (CBD):-

(a) I have formed a taskforce composed of officers from the public and private sectors to develop a transport and traffic management plan. This team is expected to provide a report within 30 days.

(b) My Ministry, in conjunction with the Nairobi City Council (NCC), has embarked on a programme to rehabilitate the infrastructure in the CBD.

(c) We intend to reduce traffic congestion in the CBD by relocating the *matatu* termini away from the City centre.

(d) The Government is currently constructing missing links in various parts of the city.

(e) There is a programme to improve on the traffic signals along Kenyatta Avenue and Uhuru Highway. The rehabilitation of traffic lights along Moi Avenue and Haile Selassie Avenue will commence in two weeks' time.

Mr. Speaker, Sir, if you read my written answer, it says that my Ministry is treating traffic congestion as a crisis. Therefore, the answers following, represent only short-term of what we call low-lying fruits that can be plucked quickly. We have long-term measures we will present to the country soon.

Other measures taken by the Ministry to control traffic congestion are:-

(a) increase parking fees and introduce hourly parking charges;

(b) involve the private sector under the public-private partnership in construction of storied parking facilities or such other similar facilities;

(c) review of existing laws to enhance high occupancy in public transport vehicles. This is in reference to the "Michuki rules" that require use of seat belts within the metropolitan area. We are considering reviewing them;

(d) involve the private sector in a "park and right" scheme. Only two days ago, I launched one such scheme; and,

(e) expansion of Thika Road and Uhuru Highway.

Mr. C. Kilonzo: Mr. Speaker, Sir, how I wish that I got a much better answer. Traffic jam is a crisis in this country. My Question was basically addressed to the Government. I understand there is still the Ministry of Roads and the Ministry of Local Government involved. However, the Minister has restricted himself to his Ministry.

Secondly, the Question is addressing Nairobi at large. However, the Minister has restricted himself to the Central Business District (CBD). He has not mentioned what is being done on Ngong Road where there was supposed to be a dual carriage, Waiyaki Way which is a mess, Outering Road which is a mess, Mombasa Road and Jogoo Road. In view of that, I think this Question has not been adequately covered.

Mr. Speaker: Order, Mr. C. Kilonzo! The Minister has given you an answer. If you think the answer is not adequate, you could interrogate that answer so that you make it adequate.

Mr. C. Kilonzo: Mr. Speaker, Sir, what happened to the tenders for Ngong Road which were advertised three or four years ago? What happened to the tenders for Outering Road?

Mr. Speaker: Very Well! Mr. Minister, could you now respond to that question?

Mr. M. Kilonzo: Mr. Speaker, Sir, as this honourable House is well aware, my Ministry is barely two months old. Therefore, at this stage we have not even had our budget passed. It is coming this afternoon at Committee Stage. However, for purposes of the tenders that were advertised, that information has not been supplied to me. I know the House would like an opportunity to receive information on the tenders that were advertised earlier and what is going on.

Mr. Speaker, Sir, with regard to the other streets, for example, the missing links, it is fair that the House knows that the Government, together with the City Council of Nairobi, is currently constructing missing links in various areas in Nairobi. Some of the missing links under construction include Kasarani to Baba Dogo Road. This link will help decongest part of Thika Road between Safari Park and Ruaraka. Motorists from Kasarani and beyond driving towards Mombasa Road can join Outering Road from Baba Dogo Road.

At Ole Odume Road, the road joining Ngong Road and Argwings Kodhek, upon completion of the road, it will ease congestion on a section of Argwings Kodhek Road. This will reduce the distance covered by motorists from Ngong Road towards Lavington. We are also doing Ridgeways Road to Kigwa Road. We are also going to do the missing link from Enterprise Road to Mombasa Road.

Mr. Speaker, Sir, in addition to the on-going construction of these missing links, the Government, with the assistance of the Japanese Government, will undertake construction of other missing links within Nairobi. These are, Westlands to Riverside Drive behind Consolata Church, Mandera Road to Oloitokitok Road, Olenguruoni Avenue and Ring Road, Kilimani from Lavington to Ngong Road.

Mr. Speaker, Sir, I would like to conclude this part of the answer by saying that the establishment of my Ministry is in itself a recognition, if it be required, of the fact that the Government is treating congestion in not only Nairobi but its environs as a crisis.

Mrs. Shebesh: Mr. Speaker, Sir, I would like to ask the Minister to look back at what the previous Minister for Local Government tried to do in trying to decongest Nairobi by stopping *matatus* at Muthurwa. It brought another crisis. I heard the Minister say he plans to stop *matatus* from coming into the city centre.

Mr. Speaker, Sir, does the Minister want to create another crisis while solving another? It has been proved that stopping *matatus* from reaching the town centre has not worked. *Matatus* are back into the city centre. Secondly, Kenyans who work in Nairobi cannot alight at Muthurwa and walk all the way to Community. I think that is not even fair. I, therefore, think that is not a proper way to go about the issue. Could the Minister tell this House whether that is the proper way to go?

I also want to ask the Minister---

Mr. Speaker: Order, Ms. Shabesh! You are only allowed to ask one supplementary question, which you have done.

Mr. Minister, please, proceed!

Mr. M. Kilonzo: Mr. Speaker, Sir, I thank the hon. Member for that question. I am not satisfied that the solution created at Muthurwa is the answer for *matatu* terminus. The House should know that this is one of the aspects that we are reviewing at this time. It includes Globe Cinema *matatu* terminus and Hakati Road *matatu* terminus. We are reviewing all of them with a view to coming up with a comprehensive formula. Decongesting the city does not amount to punishing commuters or other users of the city.

I beg the House to bear with me to enable me finish the research and investigation we are carrying out on Muthurwa.

Mr. Speaker: Last question, Mr. Kilonzo!

(Mr. K. Kilonzo moved to the Dispatch Box)

Order! I mean Mr. C. Kilonzo!

(Laughter)

Mr. C. Kilonzo: Mr. Speaker, Sir, this is an appeal to the Government and the Minister. If one lands at the airport at 4.00 p.m. he or she will get to the city centre at 7.00 p.m. at night. I am appealing to the Government and the Minister to do something. At least provide for a by-pass that goes through South B and South C.

Mr. Speaker: Mr. Minister, when will you do something?

Mr. M. Kilonzo: Mr. Speaker, Sir, I want to give this House and the country my personal undertaking that I am going to do something about the traffic congestion. I am going to do so in broad daylight. Some of the plans I am going to undertake will require large infrastructure investments. I am, therefore, going to require the support of this House.

Mr. Speaker, Sir, many things I am going to do will include changes in the law. I will table a Bill for an Act of Parliament to govern the Nairobi metropolitan area. That law is also going to cover areas like the one the hon. Member is talking about. Again, I would like to plead for patience. My Ministry is new but we have a lot of energy and aggression.

Mr. K. Kilonzo: On a point of order, Mr. Speaker, Sir. Is it in order for the Minister to stand here and tell us of grand plans for Nairobi yet he does not know about the tenders for construction of Ngong Road which is supposed to be made a dual carriage way? Could the Minister tell this House whether he is first going to find out who was given the tender and when he is going to do it?

Mr. M. Kilonzo: Mr. Speaker, Sir, with your kind permission, I believe that is another Question. Although I am willing to answer it, I ought to be given sufficient time to find out from the Ministry of Transport to whom these tenders were given and the process that has been undertaken. However, I can assure the august House that the little that we have, in terms of money, will be used to clear up the mess in the City of Nairobi.

Mr. Speaker: Order, Mr. Minister! It will suffice if you gave an undertaking to the House that you will furnish the House with that information as soon as it is available.

Mr. M. Kilonzo: Mr. Speaker, Sir, I undertake to do so as quickly as possible.

Question No.125

SHORTAGE OF TEACHERS IN PUBLIC
PRIMARY SCHOOLS

Mr. Chanzu asked the Minister for Education:-

(a) if he is aware that many primary schools in the country are understaffed while there are many trained teachers who are yet to be employed; and,

(b) what he is doing to rectify the situation.

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

(a) Yes, I am aware of the understaffing situation experienced in primary schools all over

the country which currently have a shortage of over 47,000 teachers.

(b) The Government has set aside Kshs1.5 billion for the recruitment of 6,000 extra teachers this 2008/2009 Financial Year. This figure is an addition to another 8,139 teachers who will be recruited to replace those who have left the service due to natural attrition. The 14,139 vacancies will be advertised this week on Sunday.

Mr. Chanzu: Mr. Speaker, Sir, I want to thank the Minister for the answer today. We have had several Questions being raised about this issue to the Ministry. The answers that have come have been vicious. However, for the first time, the Minister has clarified the figures.

Mr. Speaker, Sir, maybe, what I just want to tell the Minister---

Mr. Speaker: If you have no further question, then you will have to resume your seat, Mr. Chanzu. You cannot tell the Minister. This is Question Time.

(Laughter)

Do you have a question, Mr. Chanzu?

Mr. Chanzu: Yes, Mr. Speaker, Sir!

Mr. Speaker: Ask your question!

Mr. Chanzu: Mr. Speaker, Sir, this is like an issue where a horse has bolted. We are following an issue which is already out of hand. Could the Minister, please, assure this House that he is going to hold serious discussions with the Treasury to ensure that enough money is allocated for recruiting teachers? This will solve the shortfall of teachers once and for all.

Prof. Onger: Mr. Speaker, Sir, indeed, I will hold a series of meetings not only with the Treasury, but also with hon. Members of this House in order to assist us in the actual recruitment of teachers whose guidelines are being issued today. Those guidelines will require that the District Education Boards (DEBs) be in a position to assist in the recruitment of teachers transparently. We do not want any influence. There are no positions at the Ministry's headquarters or at the Teachers Service Commission (TSC). The positions are at the level of the DEBs. All candidates are required to do so.

Secondly, I indicated to the House that in the Printed Estimates there was an indication that we might be allowed to employ additional teachers as interns. Under that circumstance, I will be raising certain discussions with the Treasury with a view of funding that programme. In addition to what is going to be an establishment in the current Budget, it may give us a window of opportunity to employ more intern teachers to alleviate the acute shortage.

Mr. Mbadi: Mr. Speaker, Sir, I appreciate the answers given by the Minister. However, I want a further clarification from him. As he tries to recruit more teachers, there are some districts that lost teachers during the post-election violence. Those teachers have not reported back to their stations. Is he going to replace them from their former stations?

Prof. Onger: Mr. Speaker, Sir, indeed, the recruitment exercise has taken into account the recent debacle where most teachers either shifted from one area to another. We have been able to draw a chart that indicates the actual shortage of teachers in every district. I would like to give you a few examples. Unfortunately, for Mr. Chanzu, Vihiga District has only 441 slots. There are other areas that have above 500 teaching slots: Kilifi, 821; Malindi, 539; Kitui, 838; Mutomo, 532; Yatta, 548; Igembe, Meru North, 916; Kibwezi, 552, Tigania, 538; Trans Nzoia West, 733; Naivasha, 677; Molo, 1,100; Narok South, 618; Kisumu East, 1,422; Siaya, 1,172; Nyamira, 850; Bungoma, 969; Busia, 648; and Bungoma North, 529. This, indeed---

Mr. Speaker: Order, Prof. Onger! You have done very well. You do not have to go beyond there.

Prof. Onger: Thank you, Mr. Speaker, Sir.

Mr. Chanzu: Mr. Speaker, Sir, I would like to ask the Minister whether he will consider the issue of interns. This is because, already, there are complaints that you cannot employ qualified teachers as interns compared to those who are already serving. Could the Minister, in whatever measures he is taking, consider to employ all the trained teachers as permanent employees instead of employing some of them as interns?

Prof. Ogeri: Mr. Speaker, Sir, as the old adage says, "A loaf in hand is better than none." So, we have intern teachers who will be employed for two years. They will earn whatever they will earn, but after two years, they will be assured of being absorbed in the mainstream employment opportunities. The current Budget does not allow me to employ more teachers other than the additional 6,000 teachers that have been provided for in the Budget. There is no way I can change the ceiling provided by the Ministry.

Question No.167

COMPLETION OF KABARNET MUNICIPAL
BUS PARK

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

(a) whether he is aware that the construction of Kabarnet Municipal Bus Park has stalled since the year 2003; and,

(b) what steps he is taking to complete this important project to spur development in the region.

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

(a) The project for the construction of Kabarnet Bus/Matatu Park was awarded in January, 2004, to Kewal Consultants having been the lowest bidder. The contractor, having been duly awarded the job, commenced the work in March, 2004. The contract period was 15 months whereupon the project was expected to be completed in June, 2005. The project, however, stalled along the way when the contractor failed to meet his obligations. At the time of stalling, about 80 per cent of the work had been done on the project.

b) The following steps have been undertaken to complete the project.

(i) Due to Non-performance by the contractor, he was given termination notices as per the conditions of the contract.

(ii) The outstanding works, which are about 20 per cent of the original contract, have been evaluated.

(iii) Tender documents for the remaining works have been prepared in readiness for advertisement.

(iv) The advertisement for the outstanding works will be done before the end of this month.
Thank you.

Mr. Mwaita: Mr. Speaker, Sir, the Assistant Minister has given a detailed answer. However, I wanted him to confirm whether the Engineer, who was supervising the works, may have failed in his duty, hence occasioning the failure by the contractor to fulfil his obligations.

Mr. Githae: Mr. Speaker, Sir, this is one of those rare occasions when we must commend the resident Engineer who was in charge of this contract. The engineer did a commendable job, because out of the contract sum of Kshs16,928,826.66, so far, only Kshs12,522,738 has been paid, meaning that if you look at the outstanding amount, which is 20 per cent, and the amount that has not been paid, they are proportionate. So, the resident Engineer did a good job.

The blame for the non-completion of this contract falls squarely on the contractor. For example, whenever a termination letter was issued to him, he would appeal to be given more time, which was done. When he again failed to complete the work, he asked for further extension which was done; this continued until the Ministry got fed up and terminated the contract. We really tried to avoid termination, because it just increases the contract price. But however much we tried to help the contractor, it was not possible, because he was not in a position to complete the work. We are calling on contractors that when they are given contracts, they should complete them. They are our African brothers, but there is a limit to which you can help even your African brothers, when they do not complete the projects.

Mr. Mwaita: Mr. Speaker, Sir, could the Assistant Minister assure the House that the 20 per cent of the outstanding works will be implemented as per the design?

Mr. Githae: Mr. Speaker, Sir, the design is not being changed. What has been done is evaluating and measuring the outstanding works. Once this is done, then a fresh contract is going to be issued for the remaining works only. So, on the specifications, there will be no change and I can assure the hon. Member that this is going to be done. The advertisement for a fresh contract will be done before the end of this month, because the residents of Kabarnet Municipal Council need this bus park so that it can start generating some revenue.

Question No.109

HARASSMENT OF CIVILIANS BY
MILITARY OFFICERS AT WIYUMIRIRIE

Mr. Speaker: Question No.109 by Mr. Kioni cannot be answered today because the Minister has formally put in a request that it be deferred to Tuesday next week. The Minister is out of the country on official duty.

Mr. Kioni, will you accept that?

Mr. Kioni: Yes, Mr. Speaker, Sir.

(Question deferred)

Mr. Speaker: Thank you! We want now want to take Ministerial Statements. I understand that the Deputy Leader of Government Business has one.

MINISTERIAL STATEMENTS

CONSTITUTIONAL IMPLICATIONS OF SIMULTANEOUS ABSENCE OF PRESIDENT,
VICE-PRESIDENT AND PRIME MINISTER
FROM THE COUNTRY

The Minister for Justice, National Cohesion and Constitutional Affairs (Ms. Karua): Mr. Speaker, Sir, I rise to issue a Ministerial Statement in response to Mr. Imanyara's request of 9th July, 2008, for the Leader of Government Business to inform the august House about the constitutional implications of the simultaneous absence of the President, the Vice-President and the Prime Minister from the country.

As a matter of fact, the President was away in Addis Ababa, Ethiopia, to attend the 12th Summit of the IGAD Heads of State and Government from 13th to 14 June, 2008. The Vice-President travelled to the Sahel and Saharan State Conference of Leaders and Heads of State held

in Cotonou, Benin, from 16th to 18th June, 2008. Therefore, well after the return of his Excellency the President. The Vice-President then departed from Nairobi on the evening of 15th June, 2008 and arrived back on the evening of 19th June, 2008. The Right Hon. Prime Minister left for an official visit to Washington DC, USA on 15th June, 2008 and his return was due on 19th June, 2008.

The three official trips did not coincide as had been insinuated by Mr. Imanyara. Specifically, the President was in the country during the absence of the Vice-President and the Prime Minister. Section 11 of the Constitution says that where the President intends to be absent from Kenya, he may, in writing, appoint the Vice-President to exercise

the functions of his Office. You will notice that the powers to appoint the Vice-President, as an acting President, during short absences of the President from the country, is discretionary, not mandatory. The relevant language of the Constitution, Section 11, is "may" and not "shall". I would, therefore, say that at no occasion had both the President and Vice-President been absent from the country.

Mr. Speaker: Is there any clarification sought on this one?

Dr. Khalwale: Mr. Speaker, Sir, while we all mean very well about each other, in view of the fact that the Constitution is very clear on what would happen if the President left the good world at the wrong time, and in view of the fact that at the moment, we are aware that the Prime Minister, in the public eye, has assumed that high role, where would this country be found if, in the absence of the President for that wrong reason, the Prime Minister demanded that he is the one who has the power to discharge his duties?

Mr. Speaker: Let us see if there is any other hon. Member interested. Is there any other hon. Member looking for a clarification on this Statement?

Proceed, Madam Minister!

The Minister for Justice, National Cohesion and Constitutional Affairs (Ms. Karua): Mr. Speaker, Sir, I have already stated the express provisions - not imagined provisions - of the Constitution. I think what is being envisioned here is what are the desirable amendments, or inclusions, that we should insert during the Constitution review process and a Bill is pending before this House for the comprehensive review. We shall be grateful for all those views when the time comes. But at the present, the Constitutional provisions for all those eventualities are as clear as day light.

Mr. Speaker: Next Statement, Mr. Michuki!

STATUS OF GOVERNMENT INITIATED
LOANS EXTEND BY NBK

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Speaker, Sir, on 20th July, 2008, Mr. Okemo, the Member of Parliament for Nambale Constituency sought a Ministerial Statement from the Minister for Finance regarding the Government initiated-loans of about Kshs20 billion.

Mr. K. Kilonzo: On a point of order, Mr. Speaker, Sir. The Ministry of Finance is supposed to be an Executive Office. Therefore, it is unconstitutional for a Minister to act in a Constitutional Office. Is it in order for Mr. Michuki, who is quite an efficient Minister, to stand here and issue a Ministerial Statement for an Executive Office, while he is in an acting capacity? I seek your guidance.

Mr. Speaker: Hon. Members, the Ministry of Finance is one among the many Ministries that we have in the Government. I believe now there are 42 Ministries, inclusive of the Office of

the President. According to our Standing Orders, anybody in the Government qualifies to be a Minister. Mr. Michuki is a Minister of the Government.

So, even if the Ministry of Finance did not have a Minister, any other Minister, on behalf of the Government, can give information. Therefore, I rule that it is in order for Mr. Michuki to supply information pertaining to the Ministry of Finance.

Proceed, Mr. Minister!

The Minister for Environment and Mineral Resources (Mr. Michuki): Thank you, Mr. Speaker, Sir, for having educated one of the hon. Members.

(Laughter)

Mr. Speaker, Sir, I was saying that the Government initiated loans of about Kshs20 billion extended by the National Bank of Kenya (NBK). In particular, the hon. Member also wanted to know from the Minister as follows:

"Clarify first the issue of why the loans borrowed by private companies and individuals should be paid by the Government. These are companies of people who are known. They have ability to repay."

Mr. Speaker, Sir, I wish to put the record straight on the issues raised by providing an appropriate historical context of the subject matter. The NBK started operations in 1968 as a wholly Government-owned bank. Over the years, Government interference in its management and credit provision led to a large stock of non-performing loans and huge financial losses. As a result, in 1993, and later in 1998, the NBK was on the verge of collapsing, but the Government intervened and injected fresh liquidity.

Delays in taking bold action by the Government led to NBK's non-performing loans rise to a colossal sum of Kshs20 billion by the end of the year 2006, before restructuring action was taken. If no action would have been taken, the amount owed to NBK by the Government would have escalated further to Kshs24.6 billion by the end of last year, and to Kshs30.3 billion by the end of this year.

Mr. Speaker, Sir, I take it that when Mr. Okemo was the Minister for Finance, he must have been aware of the difficulties the bank was going through since he issued a letter to the bank's external auditors to ensure that its annual accounts were not qualified. Such letters have since been issued annually by the successive Ministers for Finance. So, what we did is not unusual.

A vibrant, efficient and stable financial sector is critical for a sustainable economic development and growth, and also in poverty reduction campaign. Therefore, addressing the NBK's non-performing loans problem, once and for all, before it got completely out of control, was a priority of the Government. In this regard, in May, 2006, the Cabinet approved the proposal by the Treasury to restructure the NBK and issuance of non-negotiable special bonds to the NBK.

Mr. Speaker, Sir, the approach of using de-capitalization bonds for financial restructuring of the NBK was informed by similar actions taken in many other countries. Following the Cabinet approval, the Treasury, subsequently, appointed a committee to implement this decision. The committee had membership from the Ministry of Finance, the Central Bank of Kenya (CBK) and the State Law Office. That is the Attorney-General's office.

To ensure that the non-performing loans dealt with were, indeed, only those initiated by the Government, the Treasury, in November, 2006, requested the Controller and Auditor-General to carry out the necessary audit. The Controller and Auditor-General responded and appointed *Deloitte & Touch* to undertake the audit. In their report, *Deloitte & Touch* noted that as at 31st December, 2006, the total non-performing advances were Kshs58 billion, made up of Kshs20.3 billion Government initiated loans and Kshs37.7 billion commercial loans.

Mr. Speaker, Sir, the Government initiated loans were given to public institutions as follows: On 27th September, 1990, the Kenya Meat Commission received an overdraft of Kshs120 million, which was followed by a guarantee of Kshs87 million. The balance as at the end of the year 2006 was Kshs3,753,508,112. On 29th November, 1991, Cyper Enterprises Limited was given an overdraft of Ksh90 million which by December, 2006, rose to Kshs916,808,032.

On 22nd February, 1990, the Lake Basin Development Authority took an overdraft of Kshs3 million. Over the years, it had developed because of accrued interest, to Kshs909,386,000, and a few shillings on top. On 10th May, 1991 Nzoia Sugar Company took an overdraft of Kshs100 million. It was Kshs886 million as at the end of 2006. Muhoroni Sugar Company, 24th February, 1989 took an overdraft of Kshs60 million and a loan of Kshs15 million, the total loan of Kshs28.5 million, letters of credit of Kshs7 million and guarantees of Kshs0.45 million. At the end of 2006, the amount due from Muhoroni was Kshs1,101,591,944. Border taxes in 1989, cash BP£3 million. It is now almost BP£1.5 billion. Then the Kenya Taxi Cab London-look taxis in 1989 cash against BP£3 million and the loan is escalating all the time.

Mr. Speaker, Sir, then we come to direct credit to the same companies. Letters of credit BP£5.75 million. Then we have Spareworld Limited. I will explain who these companies are in greater detail, because it is important that you know how these things are, so that as hon. Members make statements in this House, they bear in mind that they are hon. Members.

Those were letters of credit and for Spareworld Limited, there were spare parts bought for the Nyayo Buses at that time. Somebody was given a letter of credit to import spare parts for the Nyayo Buses and the whole thing continued. Then we have Duke Kenya Limited in the same group of companies. There was bills discounting. I do not know how one discounts bills of this magnitude at ago. These were Kshs34 million and letters of credit of Kshs10.5 million. There was the Government car loan to civil servants. Car loans guaranteed by the Government of Kenya up to Kshs200 million which, in 2006, stood at approximately Kshs448 million.

Mr. Speaker, Sir, this is the story of those companies. The report by the auditors came out with a few points. First, the Government or related entities had requested facilities through formal applications, or other duly authorized correspondences, and that actual disbursements took place. Secondly, letters of offer were issued by the National Bank of Kenya (NBK) and accepted by the Government and/or related entities for some of the facilities. There were other correspondences acknowledging the debt by the entities and the Government. Thirdly, the Government acknowledged the debts and committed itself to pay the same through the annual letters issued to the NBK by the Minister for Finance at that time.

After a thorough review of key issues by the restructuring committee an agreement was signed on 31st May, 2007 providing for the issuance of non-negotiable and non-tradable bonds of Kshs20 billion as provided for in the 2006/2007 Financial Year Budget, and shown in the Printed Estimates as approved by Parliament.

Mr. Speaker, Sir, the hon. Member for Nambale raised several questions, which gave the impression of wrong doing. Allow me to address them one by one.

Mr. Speaker: How long are you going to take, Mr. Minister?

The Minister for Environment and Mineral Resources (Mr. Michuki): Not long, Mr. Speaker, Sir, because I only have two pages to read.

Mr. Speaker: How many more minutes do you require?

The Minister for Environment and Mineral Resources (Mr. Michuki): I need about another five minutes.

Mr. Speaker: Proceed!

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Speaker, Sir, first, regarding the observation that the Attorney-General's opinion was ignored, I want to assure

hon. Members that the State Law Office was fully involved and, indeed, a Senior Counsel from that office was a member of the restructuring committee that I have alluded to earlier. Secondly, after a detailed review of loans in question, the legal opinion was that though there were no formal guarantees, the loans in question were all properly due from the Government. Moreover, the agreement between the Treasury and the NBK was approved by the State Law Office. Thirdly, the claim that the bonds were issued by the NBK and were not supported by anything is incorrect, because the NBK could never have issued bonds to itself. The bonds were issued by the Central Bank of Kenya (CBK) on behalf of the Government.

Mr. Speaker, Sir, to operationalize the transaction, the Ministry of Finance issued a cheque to the CBK instructing them to issue bonds to the NBK as a part of that restructuring. This was purely a book-keeping exercise to replace the non-performing loans with equivalent performing bonds, although non-negotiable or tradable. I wish to emphasize that even though the Government has now restructured these loans, the debtors will continue to be followed and, indeed, they are being pursued by the bank. In this context, a firm of lawyers has been retained to advise on these issues. To illustrate the Government commitment to pursue the debtors, hon. Members will recall the chase associated with these bad loans, where a former General Manager of the bank and Mr. Ketan Somaia were convicted and jailed, but were released on appeal. The entire transaction was done transparently, and was a subject of discussion with both the International Monetary Fund (IMF) and the World Bank. In addition, the consultants that advised on modalities for the restructuring was funded using pooled resources from the Government of Kenya, the World Bank and other donors.

Mr. Speaker, Sir, I would like to conclude my Ministerial Statement by emphasizing that the Government only took responsibility, and restructured loans that it had initiated and the State Law Office and the Controller and Auditor-General had given the required approval. The issuance of the bonds was aimed at solving a problem that had persisted for many years, and which threatened to worsen if it could not have been finalised by the year 2007. As a sign of the success of this strategy, the financial position of NBK has stabilized and the bank is now able to effectively compete with others in the financial sector.

In view of the sensitivity to the banking sector, I would like to respectfully urge hon. Members to be more circumspect in the future when discussing matters that could have a systematic impact on the financial sector. In other words, I am pleading for facts to be ascertained, because some remarks could cause runs on banks and cause problems to many people who rely on the banking system.

With those remarks, I thank you very much.

COMMUNICATION FROM THE CHAIR

RESCHEDULING OF BUSINESS ON ORDER PAPER

Mr. Speaker: Order, hon. Members! You will note that we have indulged the Minister by allowing him so much latitude notwithstanding that today is an Allotted Day and that we ought to move to the next Business not later than 3.30 p.m. Hon. Members, this has been so because the balance of the Business that is at hand on Vote 57 is such that it will be concluded if all Members are expedient, co-operate and scrupulous in their contributions in what they ought to do within one hour. So, I urge all hon. Members to co-operate so that we expedite that Vote in the one hour that we believe is more than sufficient. So, because of the urgency of a number of Ministerial Statements, we want to endeavour if we can, to complete all those statements by quarter to five and

then you will have an hour or so to complete Vote 57.

(Applause)

So, we will take clarifications on the Minister for Finance's Statement.
Proceed, Mr. Okemo!

RESUMPTION OF MINISTERIAL STATEMENT

Mr. Okemo: Thank you very much, Mr. Speaker, Sir. I wish to thank the Minister for a very comprehensive Statement but there are a few clarifications that I would like to seek from him.

Mr. Speaker, Sir, the Minister kept referring to Government initiated loans and then I think towards the end of his Statement, he did mention that, although these were Government initiated loans, they did not amount to loans guaranteed by the Government. So, could he clarify to this House that if these loans were not to the Government and were not guaranteed by the Government, what was the basis for the Government taking them over? Basically, that is what they have done. You can use "recapitalisation" and all those technical terms which are very impressive to non-economists but they really mean very little. I think the most important thing here is that the Minister should clarify to this House Government initiated loans that were not guaranteed by the Government. He actually went on to mention things like the London-look taxis, SpareWorld Limited, Cyper Enterprises and Kenya Uniforms. These are private companies. Now, if a private company is given a contract by the Government, why should the Government get involved in lending it money through a commercial bank? So, I think the Minister should make a clarification of that.

Mr. Speaker, Sir, secondly, the Minister very conveniently avoided what I expected him to comment on which was the restructuring of the loans being done simultaneously with privatisation of the National Bank of Kenya (NBK). In fact, one exercise without the other is meaningless. Could the Minister clarify to the House whether restructuring of NBK without privatising it is sustainable? I ask so because if you look at the books of accounts of the NBK, you will find that huge profits have been registered but if you have a careful look, you will find that the basis of those profits is actually charging accruing interest on non-performing loans. Now, he is removing non-performing loans through restructuring. How will the bank be able to sustain itself without cash flow?

Mr. Speaker, Sir, thirdly, could he clarify whether this restructuring stands alone or whether it is in any way connected with the intended privatisation of NBK? If so, there is a worrying trend at the Ministry of Finance. If you look at many of the things happening, each and every activity seems to be aimed at avoiding the privatisation process. Yesterday we had the Kenya Petroleum Refinery Limited which is a very clever way of avoiding privatisation. The Grand Regency Hotel, which we are investigating is another case in point. The NBK is another point but I think we want to catch this one before it happens.

(Applause)

So, could the Minister therefore tell us what the role of the Privatisation Commission which was passed in this House through the Privatisation Act is?

The Assistant Minister for Housing (Bishop Wanjiru): Mr. Speaker, Sir, mine is very simple and straight to the point. The hon. Minister has told us who was the General Manager then. I want to---

Mr. Speaker: Order, Bishop! Just about one and a half weeks ago, I did make a

Communication from the Chair that those who are in the Cabinet will have to raise their explanations in the Cabinet. Do you want to take your clarification here now notwithstanding my communication?

The Assistant Minister for Housing (Bishop Wanjiru): No, Mr. Speaker, Sir.

Mr. Ethuro: Mr. Speaker, Sir, you are seeing the outcome of a bloated Cabinet where some of them have nothing to do.

(Laughter)

However, I want to thank the Minister for that comprehensive Statement which was eloquently presented. My point is this: This is my bank and also one for ordinary Kenyans; people who do not want to go for these *mzungu* banks. Could the Minister inform the House how long it takes the Government to pursue debtors since you have been pursuing them for the last ten years? Secondly, could he also inform the House when he shall bring this issue to a close?

Dr. Khalwale: Mr. Speaker, Sir, I think it is important for us to say that the recovery being noticed at NBK is something very welcome and Parliament supports the current leadership. However, the Minister should tell us the issue of due process because he has said that they sought and got Cabinet approval, which is very well. However, could he inform the House what was so difficult for them taking a step further by preparing a Sessional Paper and bringing it to this Parliament so as to get parliamentary approval as the procedure requires?

Secondly, could he confirm that it was a deliberate way of making sure that the Sessional Paper is not discussed here so that parliamentarians do not interrogate the whereabouts of the chief executive officers who were in charge of those particular organisations that mismanaged funds? That parliamentarians would interrogate the directorship of the private companies that they gave money and decided to pay for them.

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Speaker, Sir, my dear friend there, hon. Okemo, wants an explanation about the guarantees and other things; what he describes as technical. It is important, as I said, to understand the background of this whole episode with very many acts in it. Those were loans which were generally given, in some cases, to people who, other than collecting fares from a taxi, have never, never attempted a venture involving such monies as they had been given! Yet, they were given. They were given those loans by an order of the people who were then in the Government.

So, Mr. Speaker, Sir, having given instructions that loans be extended, whether it was to Nzoia, Mumias or whoever, it was being done with the hope that those companies and individuals will be able to repay them. So, the question of guarantees at that time did not come into being, other than the letter that the Minister had written, and many others that were written thereafter! They were letters of comfort which did not amount to a guarantee and, yet, they were acceptable to the bank itself!

Mr. Speaker, Sir, there is the issue of whether restructuring was being done together with privatisation. The policy of privatisation is accepted in this country. The methods which should have been followed have been accepted in certain ways, and others have not. In fact, it is right now that what you might call the Public-Private-Partnership (PPP) policies are being developed. But you have a bank which, even though it was in bad shape, had hundreds or thousands of customers! You could not begin discussing a bank like that without, actually, arranging to wind it up in the same process. That is because people keep money in a bank in which they have faith. To debate a bank through a Sessional Paper is like saying: "Close the bank and let everybody go home!" That is what you would be saying! So, in its own wisdom, the Government had to rescue that bank in the best way it could do.

Was it prudent? If we were to listen to what Dr. Khalwale said, would it have been prudent to come out here and start debating a bank in a Sessional Paper and expect that, at the end of the debate, we shall have a bank? I do not think so!

(Applause)

There would be no bank at all! The Government should be commended for having worked in such a way that we now have a thriving bank which is competing, and which could also be privatised, even though it was not being restructured in order to be privatised!

So, Mr. Speaker, Sir, the Government should be commended!

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

Dr. Khalwale: On a point of order, Mr. Deputy Speaker, Sir. In the Report of the Controller and Auditor-General (C&AG) of 2006/2007 about this matter, the C&AG was challenging the Minister for Finance---

An hon. Member: When?

Dr. Khalwale: It was only last year. He was challenging the Minister for Finance to show why he refused to bring a Sessional Paper to this House to seek approval! Is this Minister in order to suggest that I am personalizing it, when I am only advancing the due process as captured by none other than the C&AG?

(Applause)

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Deputy Speaker, Sir, Dr. Khalwale, who is also my friend - we have worked together for quite a number of years--- It was not meant to be personalized.

(Applause)

I mentioned the name because that was the source of what I was commenting on, rather than anything else.

(Laughter)

So, Mr. Deputy Speaker, Sir, I am saying that the Government should be commended for having done a very good job; restoring a bank and making depositors and other people believe in the bank. That bank is now trading and it can earn this country a lot of money if it is privatized. It might, perhaps, earn this country more than the Kshs20 billion that was put in!

Thank you, Mr. Deputy Speaker, Sir.

(Applause)

(Mr. Okemo stood up in his place)

Mr. Deputy Speaker: You have sought your clarification. I think the Speaker had ruled

that Dr. Khalwale would be the last to seek clarification. Let us have the next Ministerial Statement!

Mr. Ethuro: On a point of order, Mr. Deputy Speaker, Sir. I had also sought a clarification on the Minister's Statement.

Mr. Deputy Speaker: Was it clarified?

Mr. Ethuro: Mr. Deputy Speaker, Sir, the Minister conveniently, again, evaded that clarification. The clarification I was seeking was: How long does it take to pursue debtors? When is he going to bring this matter to a conclusion, so that the bank could continue thriving, as he is putting it?

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Deputy Speaker, Sir---

Mr. Okemo: On a point of order, Mr. Deputy Speaker, Sir. I am very happy today that, at least---

Mr. Deputy Speaker: I gave you an opportunity!

Mr. Okemo: Yes, Mr. Deputy Speaker, Sir.

(Laughter)

Mr. Deputy Speaker, Sir, I just wanted the Minister to confirm to the House that the restructuring and privatisation processes are not being done simultaneously. Is it the Government's position that they are being done simultaneously or not? I have evidence which I am sure he can refute that, it has already been passed by the Cabinet that the two processes must be done simultaneously. It should be restructured to be sustainable. Could the Minister confirm, deny or clarify?

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Deputy Speaker, Sir, hon. Okemo seems to know very much about what happens where I sit, and he is discussing these matters. As far as I know, the restructuring of the bank has been completed. That is why I was able to confirm that the bank is trading and it is sound. So, that has been completed. If privatisation was to come, it will be announced, just as we did with Telkom Kenya and Safaricom. As I said, we are developing a policy which will be brought before this House on how to move forward with all those matters under what you might call the three "Ps": Public/Private Partnership and not the other PPPs that Mr. Okemo knows about in economics!

(Laughter)

Mr. Deputy Speaker: Mr. Minister, on the date, how long will it take?

The Minister for Environment and Mineral Resources (Mr. Michuki): Mr. Deputy Speaker, Sir, on the dates, I was going to say that I was once a banker and I used to pursue those people. It was my duty to do so. Now, it all depends on whether the borrower has anything to be pursued for. You do not pursue the person. You pursue what he has! That is because that is what you want to recover to repay yourself! Now, if the guy has not got anything that you will pursue, it will take as long as it takes not to collect anything!

(Laughter)

Mr. Deputy Speaker: Very well! Proceed, hon. Munyes!

SQUARE LIMITED

The Minister for Labour (Mr. Munyes): Mr. Deputy Speaker, Sir, I have two statements to make concerning the National Social Security Fund (NSSF) plots. The first one is why the matter went to the Press. The response is that on Tuesday 8th July, 2008, the *Kenya Times* published a story titled: "Land saga at NSSF". The article had misleading information to the effect that the Fund had received Kshs140 million from the purchaser who had offered Kshs1.4 billion. Also the Fund later on declined the earlier offer of Kshs1.4 billion and accepted an offer of Kshs1.3 billion. The Board of Trustees while attending a Board meeting that was scheduled for the 8th July, 2008 discussed the article and noted that the same was misleading. The Board resolved that the article had to be responded to because it was giving a wrong information to the public. The article that was published on 11th July, 2008 in the *Kenya Times*, *Daily Nation* and the *Standard Newspapers* was meant to clarify the correct position and was in response to the story that appeared in the *Kenya Times* of 8th July, 2008.

Mr. Deputy Speaker, Sir, let me now respond to the statement the Member wanted on the sale of LR NO.209/11412 and 209/12287. They are about five plots. The above five titles of land herewith referred to as the properties belong to the National Social Security Fund. The properties were bought for Kshs880 million between 1991 and 1994. The properties were advertised in the Press on various occasion in 2002, 2004 and 2006. Several buyers expressed interest to purchase the properties and the following wrote to the Fund and made the offers: Elaton Supplies, Kshs850 million, Synergy Management Group, Kshs1.265 billion, Libya Africa Investment Portfolio, Kshs1.37 billion, Kaplan and Stratton Advocates, Kshs1.44 billion and Delta Square Limited, Kshs1.37 billion. All the above were evaluated. The highest was Kshs1.4 billion and was not favourable to the Fund, in that, 10 per cent deposit was not put in an escrow account until completion with interest accruing, therefore, to be paid to the purchaser instead of the Fund.

An hon. Member: Come again!

The Minister for Labour (Mr. Munyes): All the above were evaluated. The highest offer of Kshs1.4 billion was not favourable to the Fund in that 10 per cent deposit was not paid. I think this is in reference to the Kenya Power and Lighting Company which had also offered to pay Kshs1.3 billion. Before the Fund entered into a sale agreement with Delta Square Limited, it offered the property to Synergy Management Group Limited for Kshs1.265 billion on 8th January, 2007. It was the highest offer at that time. However, the purchaser failed to pay even 10 per cent of the purchase price and the transaction was cancelled. On 3rd May, 2007, Libya Africa Investment Portfolio Company offered to purchase the property for Kshs1.37 billion. The sale agreement was prepared and the purchaser was offered the property. This purchaser too failed to raise the 10 per cent. In September, 2007, Kaplan and Stratton offered to pay Kshs1.4 billion for the property. This offer was not favourable to the Fund. The purchaser wanted to pay 10 per cent into escrow account whereby the interest accruing to this account was to be paid to the purchaser instead of the seller. The 10 per cent was to be paid after the completion. Further, the Fund was to release the title documents to the purchaser to enable the purchaser obtain facilitation of the bank, that was not disclosed. This was not agreeable to the Fund whose stand was 10 per cent deposit which was to be paid to the Fund directly and the balance of the purchased price to be exchanged with the completion document.

On 14th December, 2007, Delta Square Limited offered to purchase the property at Kshs1.372 billion. They were willing to pay 10 per cent of the purchase directly and the balance to be exchanged with completion. This offer was favourable in that it did not have stringent conditions. On 7th July, the Fund offered the properties to Delta Square Limited for Kshs1.37 billion. This is the current purchase. In line with procurement procedures, the NSSF obtained

valuations of the Chief Government Valuer and Jimco Limited who returned the following valuations. The Chief Government Valuer on 19th January, Kshs1.37 billion and Jimco Limited, 14th February, 2007, Kshs1.334 billion. The Fund offered to sell the same to the company by the name Delta Square for Kshs1.37 billion. These were the only serious purchasers who were willing to put 10 per cent deposit before signing the sale agreement and indeed, they paid 10 per cent deposit on 14th December, 2007. The rationale for selling the properties was to enable NSSF comply with the requirements of the Retirements Benefits Authority (RBA) Act on real estate portfolio where the Fund's real state portfolio is 35 whereas the RBA requirement is 30 per cent. The Fund entered into a sale agreement in January, 2008, to sell the plots to Delta Square Limited for Kshs1.37 billion. A deposit of Kshs137,500,000 was paid to NSSF on signing of the agreement. The balance of Kshs1.237 billion was placed on the escrow account at CFC Bank headquarters in joint names of NSSF lawyers and purchasers advocates. The money was to be released to NSSF with the mandate to sign by the two law firms. The transaction was finalised on 16th but the lawyers of the purchaser declined to sign to release the balance of the purchase of Kshs1.237 billion. Instead the purchasers' advocate wrote to the NSSF's advocate claiming that they will only release Kshs837,39,701 and leave Kshs400 million in the escrow account on the pretext that plot LR No.209 was less by Kshs1.38 acres. The purchaser was purchasing the property as advertised in the papers at the price agreed upon in the sale agreement.

In view of the refusal of the advocates to execute their mandate to release the balance of the purchase price, the Board of Trustees resolved to have the transaction rescinded immediately to protect the interest of the Fund. The Fund filed civil suit No.HCC/353/2008 at the Milimani Commercial Courts for the cancellation of the entire transaction with claim of general damages for breach of contract. The Fund has registered caveats against all the titles. The Commissioner of Lands has also registered restrictions against all titles.

Thank you very much.

Mr. K. Kilonzo: Thank you very much, Mr. Deputy Speaker, Sir. I wish to thank the Minister for that answer. He has been very smart and has conveniently avoided issues which Kenyans need to know.

I want to seek the following clarifications: If, indeed, the NSSF was given 10 per cent, why did it surrender the titles and went ahead to transfer all the five titles to Delta? Two, it is clear that Delta Square Limited had paid 10 per cent and put the balance, which is, 90 per cent to a joint account between the lawyers of the NSSF and the lawyers of Delta Square Limited at CFC bank. I want the Minister to confirm that. If that was the case, why is it that instead of the NSSF going for arbitration as stipulated in the contract, they decided to go to court? Why did they not follow the agreed mechanisms? Is it because the people in that company or the chief officers demanded bribes and when the company declined to bribe them, they decided to throw spanners to that deal?

Mr. Wamalwa: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for this House to deal with this matter when the Minister has indicated that it is pending before the court and it is subject to High Court Civil Case No.852 of 2008?

Mr. Speaker: Mr. Minister, is this matter, indeed, in court? Could you clarify that to the House?

The Minister for Labour (Mr. Munyes): Yes, Mr. Deputy Speaker, Sir. The matter is before the Milimani Commercial Courts, Suit No.HCC/353/2008. The matter is in court and I do not think we can discuss it here.

Mr. K. Kilonzo: On a point of order, Mr. Deputy Speaker, Sir. The issue we are seeking clarification on has nothing to do with the issues that NSSF has gone to court on. That is because NSSF has already transferred the title deed to Delta. That is not in dispute. What is in dispute, like the Minister has just said, is the price. They want to know who is going to give back and who is not

going to do that. We are not interested in that because that is a matter for the court to decide. What we are asking is: Why is it that NSSF did not follow the procedure it abided to in the first place, which was go to an arbitrator? That has nothing to do with the matter before the court.

Secondly, could the Minister confirm to this House that even before the NSSF had received the money, it had transferred the title deed to Delta? That has nothing to do with the court.

The Minister for Labour (Mr. Munyes): Mr. Deputy Speaker, Sir, the matter is squarely in court and I do not think we can discuss it here. There was an argument as to how much was to be paid on the completion of the contract. They were meant to pay the full amount before we released the documents. They did not do that because they had not done the due diligence. They had not checked the size of the plot. Really, I would not want to discuss this matter.

Mr. Affey: On a point of order, Mr. Deputy Speaker, Sir. The hon. Minister is misleading the House! If, indeed, he knew that the matter was in court, why did he have to give us that long Ministerial Statement? He should have said it in the beginning!

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

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, mine is not a point of order! That is because what we are discussing is not in court. What we are after is the issue of corruption. Many years ago, when that property was bought, we were privy to the information. If you look at the title deed---

Mr. Deputy Speaker: Order! If any matter that is essentially debated in here will have the slightest inference into a process that might influence the ruling; and the matter is in court as it is, I think the matter is *sub judice*. I think the Minister has also failed in his duty to notify us that the matter is in court, and proceeded to give a Ministerial Statement to the House, when the matter is in court and it is *sub judice*.

Mr. Ethuro: On a point of order, Mr. Deputy Speaker, Sir. Mine is not really on the matter. It is on the ruling of this House on the subject of *sub judice*. Hon. Eugene Wamalwa will recall that his elder brother was in this House and he brought an issue about that ruling. In the last Parliament, the Speaker made a ruling that if you can delineate which matters are actually being contested in court, those are the matters that you cannot discuss on the Floor of this House. But other matters related to the matters before court can be prosecuted before the Floor of the House. I am happy that the Senior Counsel, Mr. Mutula Kilonzo will shed light on this matter.

Mr. Deputy Speaker: Order! Hon. Minister, I do understand that there has to be a delineation between what is in court and what is not in court. But from the Ministerial Statement and the subsequent clarifications which, on certain circumstances, do not amount to seeking clarifications on the Minister's Statement, but amounted to adding another dimension to the debate itself, the Chair is of the opinion that, that delineation is not being maintained.

Mr. Namwamba: On a point of order, Mr. Deputy Speaker, Sir. Let us not allow this Minister to prevaricate and duck responsibility in---

Mr. Deputy Speaker: Order, hon. Member! What is your point of order? This should not be an opportunity for you to engage in debate! When you rise on a point of order, it must be a point of order!

Mr. Namwamba: Thank you, Mr. Deputy Speaker, Sir, for your kind guidance. The issue under interrogation and its due process---

Mr. Deputy Speaker: Order! Order, hon. Member! The bulk of hon. Members here are freshmen! Parliament, itself, through none other than inviting the former Speaker and people who have been in practice in the House of Commons in the UK, gave Parliament three days a seminar on parliamentary practice. It is still coming out very clearly that we are not taking time to understand our Standing Orders and understand how we should conduct debate and points of order on the Floor of the House. When you rise on a point of order, you are showing what is not in order! You are not engaging in debate that either touches on the conduct of the Ministry, itself, or the

conduct of anybody else in this House for that matter. You simply have to indicate what is not in order in your presentation.

Mr. Linturi: On a point of order, Mr. Deputy Speaker, Sir. Would I now be in order to request that since the matter is really contentious and of public interest, that this House---

Mr. Deputy Speaker: A point of order should indicate something that is grossly out of order! You should rise up and say what is not in order. You should not stand up and critique or suggest to the House.

Mr. Linturi: Mr. Deputy Speaker, Sir, I am seeking the indulgence!

Mr. Deputy Speaker: Yes! What is not in order, hon. Linturi?

Mr. Linturi: Mr. Deputy Speaker, Sir, what is not in order is that there is contention as to whether the matters we are discussing are in court. What I am trying to request is that we get one or two Members of this House, defer the Statement to another time and confirm exactly what is before the court. That way, we will have a report in this House and we can address this matter.

Mr. Deputy Speaker, Sir, you realise that when there is a lot of corruption in this country, the culprits rush to court---

Mr. Deputy Speaker: Order! Order! Hon. Member, you are seeking for the ruling of the Chair, on whether this matter is, indeed, *sub judice*. Based on the information that has been made available now, and further information, the Chair will be fully willing to do that.

Hon. Members, this House is supposed to be a House of integrity, honour and decorum. The constant reference to corruption and impunity, is not Parliamentary language in the sense that you need to have a substantiation before you can clearly describe a Ministry, Minister or officials working in the Ministry, as corrupt or dealing in impunity.

Given that, the Chair will dwell on this matter and come back to the House and give a ruling on whether the matter is actually *sub judice* or not.

(Applause)

The Minister for Nairobi Metropolitan Development (Mr. M. Kilonzo): On a point of order, Mr. Deputy Speaker, Sir. I would like to be of assistance, with your permission. Would I be in order to suggest that the principles of *sub judice* refer to the merits or demerits of a case? Would I also be in order in advising the honourable Chamber that the word "corruption" when used with regard to a court matter, suggests that there is some irregularity and, therefore, goes to merits and demerits?

Mr. Deputy Speaker, Sir, secondly, would I be in order to suggest that in order to protect the hon. Minister, and I think it is the practice of this House, if I may say so, because I have seen it myself, to require the plaint, that is, the actual document filed in court as well as the defence, to be availed to Mr. Speaker, so that as the Chair considers its ruling, it knows, for sure, the actual issues before the court. If it is possible to help the hon. Members who are raising these issues, you may do so, failure to which you will rule that it is *sub judice*, because it goes to the very nature of the integrity of this Chamber not to interfere with matters before court.

(Applause)

Mr. Deputy Speaker: Thank you, Mr. M. Kilonzo. Indeed, the Chair did have intention to seek that information and material.

Hon. Members, given that the debate on Vote No.57 of the Ministry of Nairobi Metropolitan Development was concluded yesterday, the House will now proceed to the Committee of Supply.

COMMITTEE OF SUPPLY

[Mr. Deputy Speaker left the Chair]

IN THE COMMITTEE

*[The Temporary Deputy Chairman
(Prof. Kaloki) took the Chair]*

Vote 57 - Ministry of Nairobi
Metropolitan Development

The Temporary Deputy Chairman (Prof. Kaloki): Order, hon. Members! We are now in the Committee of the whole House.

Yes, Mr. Minister!

The Minister for Nairobi Metropolitan Development (Mr. M. Kilonzo): Mr. Temporary Deputy Chairman, Sir, I beg to move:-

THAT, a sum not exceeding Kshs1,135,013,000 be issued from the Consolidated Fund to complete a sum necessary to meet expenditure during the year ending 30th June, 2009, in respect of:-

Vote 57 - Ministry of Nairobi
Metropolitan Development

VOTE R57 - RECURRENT EXPENDITURE

SUB-VOTE 570 - GENERAL ADMINISTRATION AND PLANNING

(Head 194 agreed to)

(Sub-Vote 570 agreed to)

(Vote R57 agreed to)

VOTE D57 - DEVELOPMENT EXPENDITURE

SUB-VOTE 570 - GENERAL ADMINISTRATION AND PLANNING

(Head 194 agreed to)

(Sub-Vote 570 agreed to)

(Vote D57 agreed to)

(Question put and agreed to)

(Resolution to be reported)

without amendment)

(The House resumed)

[Mr. Deputy Speaker in the Chair]

REPORT

Vote 57 - Ministry of Nairobi
Metropolitan Development

Prof. Kaloki: Mr. Deputy Speaker, Sir, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding Kshs1,135,013,000 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2009, in respect of Vote 57 - Ministry of Nairobi Metropolitan Development and has approved the same without amendment.

The Minister for Nairobi Metropolitan Development (Mr. M. Kilonzo): Mr. Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution.

The Minister for Justice, National Cohesion and Constitutional Affairs (Ms. Karua) seconded.

(Question proposed)

Dr. Khalwale: Mr. Deputy Speaker, Sir, while we gladly wish to recognise that it is important that this money be given to the Minister immediately, it is also important for the Minister to note that it is not about re-inventing the wheel. This afternoon, he just told us that he set up a task force to look at ways of solving traffic problems in Nairobi.

Mr. Deputy Speaker, Sir, the Minister is a highly travelled person and he knows that the best cities in this world, Bangkok being one of them, did not solve their transport congestion problems using task forces. They simply concessioned their roads and after some time they have been handed over to the Republic of Bangkok and they have a fantastic mode of transport.

(Question put and agreed to)

ADJOURNMENT

Mr. Deputy Speaker: Hon. Members, that concludes the business on the Order Paper, The House is, therefore, adjourned until Tuesday 22nd July, 2008 at 2.30 p.m.

The House rose at 4.55 p.m.