

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Tuesday, 29th 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 Controller and Auditor-General together with the Appropriation Accounts, other Public Accounts and the Accounts of funds for the year 2006/2007 and the appendices Volumes I, II and III.

*(By the Minister for Environment and Mineral Resources and Acting Minister for Finance (Mr. Michuki))*

### QUESTIONS BY PRIVATE NOTICE

#### IMPORTATION OF CHEAP JUTE BAGS

**Mr. Thuo:** Mr. Speaker, Sir, I beg to ask the Minister for Industrialisation the following Question by Private Notice.

(a) Is the Minister aware of the imminent closure of the Premier Bag and Cordage Limited situated in Juja Constituency due to stiff competition from cheap imported jute bags?

(b) Why has the Ministry allowed importation into the local market of cheap jute bags mainly from Bangladesh market, while there is a company in Kenya producing long-lasting sisal bags?

(c) Could the Minister consider issuing a directive to stop importation of these jute bags in order to ensure that the more than 3,000 employees of the company are not rendered jobless?

**The Minister for Industrialization (Mr. Kosgey):** Mr. Speaker, Sir, I beg to reply.

(a) I am not aware of the imminent closure of Premier Bag and Cordage Company Limited situated in Juja Constituency. The company manufactures sisal twine, ropes, sisal bags and carpets on a very small scale. It has also diversified into jute bags and plastics. Currently, the company is operating at 30 per cent of its installed capacity, mainly due to:-

(i) Very old machinery in use at the factory. There is need to upgrade that machinery and embrace modern technology,

(ii) High cost of production arising from the escalating power tariffs and stiff competition from cheap imported jute bags.

(iii) Local sisal producers who are predominantly inclined to exporting their raw materials which earn them higher returns than supplies to local manufacturers.

(iv) Suppliers' demand for upfront payment leading to reduction in the company's cashflows.

(v) Inadequate supplies of the required grades of sisal causing the company to operate below capacity.

(vi) Consumers' preferences for imported cheap jute bags to locally produced sisal bags.

(vii) Lack of aggressive marketing strategy for their products.

(b) My Ministry does not allow importation of cheap jute bags from Bangladesh or any other part of the world into the country. What is happening in the sisal market, just like in any other market, is that the law of supply and demand is at play in this highly liberalised economy. There is a duty on imported jute bags, which is, at the moment, 61 per cent. It should be a deterrent measure to make sure that, at least, the local industry is able to compete with importers.

The Premier Bag and Cordage Limited must, therefore, address itself to modern ways of doing business by embracing new technology and seeking ways of growing own preferred sisal grades, or by winning supplier/consumer confidence by paying premium for quality raw materials and aggressive marketing of their finished products towards long-term sustainability of the company.

(c) Given the answer to "b" above, the Ministry has no mandate, whatsoever, to issue a directive to any person or firm that is transacting business legally, to stop trading. The Ministry can only protect industries through ensuring that acceptable standards are maintained through its agency, the Kenya Bureau of Standards, working in collaboration with the Office of the Deputy Prime Minister and Ministry of Trade, specifically the Department of Weights and Measures.

**Mr. Thuo:** Mr. Speaker, Sir, there are two issues arising from that answer. The first issue arises from the Minister's answer in part "a", where he has given seven reasons why the company is operating below capacity. Despite saying that the closure is imminent, it is clear that some work has been done, which has identified the issues at hand.

To what extent has the Ministry attempted to assist the management and whoever else is responsible, to ensure that the factory stays open, so that these 3,000 workers and their families may benefit?

Secondly, in part "b", the Minister has indicated that what is happening in the sisal market, just like in any other market, is that the law of demand and supply is at play in a liberalised economy. I find that a bit casual. We are aware that the on-going World Trade Organisation (WTO) talks have stalled because governments seek to protect their industries. Why is it so difficult for us to do the same here?

**Mr. Kosgey:** Mr. Speaker, Sir, this company has had problems in its production process. I have enumerated the reasons why it has had problems. One of the problems is that the company is offering low prices for sisal forcing the few producers of sisal to export fibre.

I would like to discourage exportation of any raw materials from the country. I would like this company to offer competitive prices for sisal fibre. There have been discussions between this company and the Kenya Sisal Board with a view to trying to work out an amicable way of obtaining the supplies. The company has been underpaying the producers.

With respect to protection, the policy of the Government is to create an enabling environment for businesses and industries to thrive in this country. That is our job. We do, to a limited extent, impose tariffs on imported items. Imported items, apart from the ones from the COMESA region, attract duty. Jute bags attract a 45 per cent duty and a 16 per cent Value Added Tax. This makes a total of 61 per cent. This should be enough to make the local production competitive. That is the much we can do.

If there is need for us to re-look into this duty, we can discuss it. It is as an open issue. There should be close discussions between the Government and the local producers.

**Mr. Mututho:** Mr. Speaker, Sir, I believe that this company cannot be competitive because the importers enjoy certain subsidies in their countries. The only way we can help the 3,000 poor Kenyans who are working at the factory is by the Minister first investigating whether the imported jute bags enjoy any subsidies from their country of origin.

**Mr. Kosgey:** Mr. Speaker, Sir, let me first make a correction. This company had 1,000 employees as of January, 2008. Because of the loss in the market share, currently, there are 625 employees. So, we have lost close to 400 jobs.

The hon. Member has stated that I should investigate whether the imports, from Bangladesh in particular, are subsidised or not. All I know is that these imports are cheap. Their production cost is low. Their labour cost is lower than ours. I also know that their energy cost is much lower than ours. So, they are able to manufacture jute bags at a much lower cost than us.

Mr. Speaker, Sir, imported jute bags cost about Kshs90 per bag whereas sisal bags cost Kshs120 per bag. So, there is a differential there. It is close to Kshs30, which is substantial.

**Mr. Bahari:** Mr. Speaker, Sir, it is quite clear, although the Minister says he is not aware that, that factory is bound to close and jobs, which the Minister has a responsibility to create, will be lost. I want the Minister to confirm, after conducting investigations, whether the 61 per cent duty is actually being paid or those people are in the category that actually evade duty.

**Mr. Kosgey:** The Kenya Revenue Authority (KRA), which is Charged with collection of duties, is doing a commendable job. In fact, revenue collection has gone up. So, I have no reason to doubt that, that duty is being collected. The main importers of jute bags into the country are Thika Coffee Mills, Sasini, Morrison and Company, KPCU and Coffee Management Services Limited. Those are the main importers and I believe they pay duty.

**Mr. Thuo:** Mr. Speaker, Sir, I wish to thank the Minister for giving a comprehensive answer. However, he has raised two issues. The first one is on cost of production. He has specifically mentioned energy as well as labour cost. Since those people are based there, and we are not capable of exporting the people of Juja to go and manufacture in Bangladesh--- Their Government is their only recourse. I would encourage the Minister to look at ways and means of assisting local industries to be competitive in an environment which they are not responsible for creating.

Secondly---

**Mr. Speaker:** Order, Mr. Thuo. This is Question Time.

**Mr. Thuo:** Secondly, the Minister has said that he will look at the duty in due course, and see whether it is adequate or not. Clearly, it is not. Since he has acknowledged that some jobs have already been lost in the last six months, will he not act fairly soon to avert further loss or even possible closure?

**Mr. Kosgey:** Mr. Speaker, Sir, if you want to be competitive in Kenya, you have to produce cheap and good quality products. The third part of the Question involves my Ministry. The whole purpose of having a Ministry of Industrialisation is to make sure that we produce high quality goods which are fairly priced so that we can sell locally and compete internationally. That is our job and we hope that we will have an impact in this country, so that industries in Kenya can be regarded as efficient. One of the biggest problems that we are having at the moment is energy costs and we are addressing that.

Mr. Speaker, Sir, as to whether they will reduce the tariffs, that is something between us and the Ministry of Finance. The Minister for Finance is sitting behind me and we are actively pursuing that. We are not just looking at the issue of jute bags, but we want to make sure that tariffs which are levied do not make foreign investors have unnecessary advantage over our local production.

ABDUCTION OF PUPIL FROM  
GATHAITHI PRIMARY SCHOOL

**Mr. Baiya:** Mr. Speaker, Sir, I beg to ask the Minister for Gender, Children and Social Development the following Question by Private Notice.

(a) Is the Minister aware that the constitutional rights of a 14 year old female student of Gathaithi Primary School in Githunguri were grossly violated following her abduction on 27th July, 2007 and illegal confinement until her release on 17th April, 2008, after concerted and sustained efforts from the area residents?

(b) Is she also aware that the abduction of the girl was reported at Githunguri police station but no action was taken as the illegal action was perpetrated by known Government officials?

(c) Is the Minister further aware that the above incident is connected to a syndicate involved in trafficking Kenyan children mainly girls to countries such as Ireland and the United Kingdom (UK)?

(d) What immediate steps is the Minister taking to eradicate the syndicate, bring the culprits to book and assist the student in question return to school?

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

I think parts (a) and (b) would be adequately addressed by the Minister of State for Provincial Administration and Internal Security because the matter relates to the District Commissioner's behaviour and the police---

**Mr. Speaker:** Order, Minister! This House expects a complete answer and not a half-baked answer. The Chair has a letter addressed to the Permanent Secretary, Ministry of State for Provincial Administration and Internal Security indicating that this Question has been referred to that Ministry. Is that the position?

**The Minister for Gender, Children and Social Development** (Ms. Mathenge): That is the position, Mr. Speaker, Sir.

**Mr. Speaker:** If that is so, Madam Minister, then you do not have an answer to this Question. If you have one, then it would be half-baked. Have you raised the Question with the Ministry of State for Provincial Administration and Internal Security?

**The Minister for Gender, Children and Social Development** (Ms. Mathenge): Yes, Mr. Speaker, Sir.

**Mr. Speaker:** Then, let us have an indication from that Ministry as to when the answer will be forthcoming. It is a Question by Private Notice. So, we must have an answer within 48 hours.

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): Mr. Speaker, Sir, my understanding is that this Question could be answered by this Ministry. What we needed to do was just to collect the information that relates to this Question.

**Mr. Speaker:** The Chair has ruled a number of times that the Government must put its House in order. We cannot afford to have the Government passing the buck within itself. Mr. Assistant Minister, could you, please, come with an answer to this Question on Thursday afternoon?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): As directed, Mr. Speaker, Sir.

**Mr. Speaker:** Very well. Mr. Baiya, your Question will be answered on Thursday at 2.30 p.m.

*(Question deferred)*

Next Question by Mr. Kathuri!

RESIGNATION OF SENIOR MANAGEMENT  
STAFF AT KPCU

**Mr. Kathuri:** Mr. Speaker, Sir, I beg to ask the Minister for Co-operative Development and Marketing the following Question by Private Notice.

(a) Is the Minister aware that there is a crisis at Kenya Planters Co-operative Union (KPCU) due to the resignation, *en masse*, of senior management staff in protest over the poor governance by the Board of Directors?

(b) Could the Minister also table a list of the union's debtors showing the amounts owed by each of them?

(c) What action does the Minister intend to take to resolve that recurrent problem once and for all, for the sake of the coffee farmers?

**The Minister for Co-operative Development and Marketing** (Mr. J. Nyagah): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that a section of the management staff of Kenya Planters Co-operative Union (KPCU) have resigned citing poor governance and misunderstandings between them and the Board of Directors. However, the situation is under control.

(b) I, hereby, table the list of KPCU debtors.

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

Mr. Speaker, Sir, the total debt owed to the KPCU stands at Kshs3.79 billion!

**Mr. Olago:** On a point of order, Mr. Speaker, Sir. With humility and respect, and while Mr. Ojode is standing next to you, I wish to bring to the attention of the House a practice that is offensive to the Standing Orders of this House, and which is gaining popularity.

Mr. Speaker, Sir, let me draw your attention to Standing Order No.53 which states:-  
"Every hon. Member desiring to speak shall rise in his place and address himself to Mr. Speaker."

I would also like to bring to your attention Standing Order No.85 which says:-  
"Except when passing to and from his seat or when speaking, every Member when in the Chamber shall be seated, and shall not at any time stand in any of the passages and gangways."

Mr. Speaker, Sir, with your permission, may I quote Standing Order No.84 (2) which states:-

"No Member shall pass between the Chair and any Member who is speaking between the Chair and the Table except in so far as it is necessary for the purpose of administration of the oath or affirmation of Allegiance."

What has happened with hon. Ojode is offensive to these Standing Orders. The spirit and intention of these Standing Orders is to allow decorum and seriousness in the House. Any act that interrupts debate or disrupts the Speaker's attention offends these Standing Orders.

*(Applause)*

**Mr. Speaker:** Hon. Members, that is a very valid point of order and the Chair is in concurrence with everything as ably articulated by the hon. Member for Kisumu Town West. All

hon. Members are requested to ensure strict compliance. I did indicate some time last week that there was so much communication to the

Chair from hon. Members in the Chamber. I would want to urge hon. Members to refrain from unnecessarily approaching the Chair. But you are at liberty to do so where circumstances dictate that you do so. Hon. Ojode, in particular, is serving his fourth term! So, he ought to be aware of the provisions of Standing Order No.84. Please note.

**The Minister for Co-operative Development and Marketing** (Mr. Nyagah): Mr. Speaker, Sir, let me repeat part (b) of the answer.

I have tabled the list of those who owe KPCU monies and the amount is Kshs3,795,676,375.

(c) To address the problems facing KPCU, the Government has undertaken the following measures:-

(i) A Sub-Committee of the Cabinet to be chaired by the Prime-Minister to seek long lasting solutions to the problems facing KPCU has been formed. An Inter-Ministerial Technical Committee chaired by the PS, Ministry of Co-operative Development and Marketing has been formed to design a rescue package for KPCU. The rescue package will address governance issues and financial liabilities of KPCU.

**Mr. Kathuri:** Mr. Speaker, Sir, from the answer provided by the Minister, we have not been told how many senior management staff resigned. That is because they stepped aside for investigations to be done! I do not think they resigned. We would like to know how many are serving in acting capacity and how they were appointed.

**Mr. Nyagah:** Mr. Speaker, Sir, I wish to confirm that 10 senior managers led by the Managing Director resigned and absconded duty. Their deputies are acting in their positions while we resolve the situation very soon.

**Mr. K. Kilonzo:** Mr. Speaker, Sir, under part (b) of the answer, the Minister said that he would table the list of debtors showing the amount of money each one of them owes. That is very serious given that billions of shillings are lost by those co-operatives. We want the Minister to tell us, name by name, who those debtors are and how much they owe. If he is not able to do that, could he leave this Question Time for hon. Members to scrutinise the names of the debtors who are appearing there?

**Mr. Nyagah:** Mr. Speaker, Sir, I have no problem giving hon. Members time to review this list. That is because it is very long. Many of those people owe KPCU money for many years. There has been mismanagement and corruption that has left Kenyans very poor. So, I would encourage a situation where we could review this list thoroughly.

**Mr. K. Kilonzo:** On a point of order, Mr. Speaker, Sir. I made a request to the Minister and he has acceded to it. Would I be in order then to ask you to defer this Question so that we could get an opportunity to look at that list? The Minister has already acceded to that.

**Mr. Speaker:** We will deal with that, but let us first give an opportunity to hon. Members who are interested to interrogate other aspects of the Minister's answer.

**Mr. Abdirahman:** Mr. Speaker, Sir, listening to the Minister, the appointment of the deputies on an acting capacity is only a stop-gap measure, and the appointment of the subcommittee of the Cabinet and the inter-Ministerial Committee equally do not have any time-frame. Could he confirm the fact that the Board of Directors is the problem? What immediate action is he planning to take against them? He has already admitted that there is serious mismanagement!

**Mr. Nyagah:** Mr. Speaker, Sir, let me start with the last question. Part of the Board of Management is the problem and part of the management is the problem. The governance issues that we are dealing with are the fights between the management and the Board.

Over the years, changes have been brought in, and every time, there was a fight between half the Board half the management. Those are the issues which we need to address. There is a time-frame, because the deputies are not confirmed. In order to get the right type of management, the Kenya Planters Co-operative Union (KPCU) must be able to pay the right salaries. So, we are looking into ways in which we might be able to help KPCU along those lines, because we want a qualified team as was proposed by a study undertaken by experts.

**Mr. Wambugu:** Mr. Chairman, Sir, the Minister has confirmed that the problem lies with part of the Board and part of the management. Could he tell this House the parts of of the Board and the management which are a problem?

**Mr. Nyagah:** Mr. Speaker, Sir, I did not get the question.

**Mr. Speaker:** Mr. Wambugu, could you repeat your question, please?

**Mr. Wambugu:** Mr. Speaker, Sir, the Minister has accepted that it is a part of the Board and a part of the management that is giving problems to the KPCU. Could he tell this House the names of the members of the Board and of the management involved? Could he tell this House who those members are?

**Mr. Nyagah:** Mr. Speaker, Sir, the history and the problems of the KPCU are complicated. It would be unfair at this point to point out names, because there are other investigations going on. But I can confirm that some of the Board of members have been accused of doing wrong things like not delivering coffee to KPCU, hiring property and not paying rent and taking money out of the company with the involvement of the management. Those are some of the problems that I am talking about. Since these problems have been there for many years, I would rather Parliament allows us to come up with a more detailed report, because a study has been done and another one is being finalised.

**Mr. Mbau:** Mr. Speaker, Sir, you have heard the Minister confirm that the question of corruption in the KPCU and mismanagement has been long standing. For how long will the Government, through the Minister, continue to watch public resources being squandered as it waits for a Question so as to confirm losses?

**Mr. Nyagah:** Mr. Speaker, Sir, I wish to confirm that in the three months that I have been in the Ministry, I have directed my attention to the coffee issues, and the KPCU in particular; I have taken action. It is very evident to everybody that I have taken action on matters to do with KPCU, because I do not think we should wait any longer. I hope that this House will support me in the very serious action that I intend to take on this matter. I have to save the very poor farmers, who have been exploited by the management and the Board.

**Mr. Thuo:** Mr. Speaker, Sir, I am a bit concerned. I must encourage the Minister to continue taking action, but I fear that so long as only the top management resigns and the Board remains in place, his action may end up being futile. I have had occasion to very quickly glance through the list he has tabled.

Could he confirm that even the Board members are part of the problem of the debt of over Kshs3 billion and, therefore, part of his investigation must be to suspend the Board immediately?

**Mr. Nyagah:** Mr. Speaker, Sir, the Board is elected by Kenyans. The Minister for Co-operative Development and Marketing, and his Commissioner for Co-operatives, have no power at all to suspend the Board, unless they institute an inquiry. Attempts to institute an inquiry over a year ago were thwarted when the Minister and the Ministry were taken to court. We are in court fighting it out and we hope that the matter will be resolved soon.

Let me confirm that following very serious action and discussions with the Board, we are making some progress. I wish to confirm that some of the present and former Board members are on the list, and even former Cabinet Ministers are on the list.

**Mr. Konchellah:** Mr. Speaker, Sir, you know that when two bulls fight the grass suffers.

This is a situation where farmers are uprooting coffee, because of mismanagement and the Government is not protecting them. I am asking whether the Minister has a problem of the law; if that is so, this House can amend it and empower him to not only sack them but also ensure that they pay the money owed. Mr. Speaker, Sir, could we now request the Minister to bring legislation to this House so that we can amend the Act to empower him? Coffee trees in this country are being destroyed; farmers are uprooting it because the Minister is not able to do something about it. Is he in order to tell us that he has no powers, yet he is the Minister?

**Mr. Nyagah:** Mr. Speaker, Sir, I wish to confirm that we are at an advanced stage of asking KPCU, at their forthcoming annual general meeting to change their by-laws in order to address some of the issues that have led to problems of governance. That includes the way directors are elected and perform their jobs.

Mr. Speaker, Sir, I want to give an example: There has been confusion over the job of a manager and that of the Board. We have cases where the Board signs cheques and the management also does so. Those are the things that have been addressed by a study that my Ministry instituted and was paid for by the European Union (EU); we are also implementing certain things. So, at the forthcoming AGM some of the things that the hon. Member is talking about, and others, will be dealt.

**Mr. Speaker:** Last question, Mr. Kathuri!

**Mr. Kathuri:** Mr. Speaker, Sir, I have two observations to make. First---

**Mr. Speaker:** Ask a question!

**Mr. Kathuri:** What is the Minister intending to do with the issue of dual registration, which is causing all the mess in the KPCU? It is a company on one side--- We would want to know what the Minister intends to do over that issue of dual registration and when he intends to bring that issue here in Parliament.

**Mr. Nyagah:** Mr. Speaker, Sir, I wish to confirm that we are, indeed, in court. The reason why we were taken to court, as a Ministry, by the KPCU Board and management was because when we tried to take action, they argued that they were a limited liability company. We argued that they are both. We have told them that we want a court decision, so that we know whether they are a company or a co-operative society.

Mr. Speaker, Sir, if they are a co-operative society, it will be easier for us to help them. I am sure that a judgement will be made very soon. We, as a Ministry, would prefer them to be a co-operative society, because that best serves the farmers, particularly in times of crises when the farmers are suffering. They have suffered because the management and the Board have, historically, taken advantage of the dual registration to confuse and mistreat them.

**Mr. Speaker:** That Question has come to an end except that it is deferred to Thursday next week for the Minister to table a list of debtors. Minister, will you comply?

**Mr. Nyagah:** Mr. Speaker, Sir, I wish to confirm. I have tabled it and it is with the Clerk. Since the list the hon. Member is asking for is very long, he would like to review it and then harass me after that. I think that is the point he was making.

**Mr. Speaker:** Order, Mr. Minister! Hon. Members do not harass!

**Mr. Nyagah:** Mr. Speaker, Sir, I withdraw my comments. Members ask further questions.

**Mr. Speaker:** Very well!

## ORAL ANSWERS TO QUESTIONS

### *Question No.171*

#### EVICTION OF OGIEK COMMUNITY



## FROM KIPKURERE FOREST

**Mr. Speaker:** Ms. Chepchumba is out of the country on parliamentary business. The Order Paper says "Ms" and I will not want to make a mistake by referring to her as "Mrs" lest I offend her. So, that Question is deferred until she returns.

*(Question deferred)*

**Mr. Speaker:** Next Question by Mr. Chanzu!

**The Minister of State for Special Programmes** (Dr. Shaban): On a point of order, Mr. Speaker, Sir. I think when we come to give answers here, some hon. Members make a joke out of it and Questions are being repeated week after week. I think we should have handled this Question after the reply was given by the Assistant Minister. As far as we are concerned, that is the position even today and this Question, if I were to give advice then---

**Mr. Speaker:** Order, Minister! Which Question are you referring to?

**The Minister of State for Special Programmes** (Dr. Shaban): Mr. Speaker, Sir, Ms. Chepchumba's Question. I wanted to just give advice.

**Mr. Speaker:** Order, Minister! If it is Question No.171, then you are rising on your point of order too late because I have already ordered that this Question is deferred until Ms. Chepchumba is back in the country. We cannot, therefore, revisit that matter. Minister, you are not that new and you ought to know.

Next Question by Mr. Chanzu!

*Question No.128*

REHABILITATION OF KISUMU-  
KAKAMEGA ROAD

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

- (a) whether he is aware that the Kisumu-Kakamega Road is among the busiest in heavy traffic in the country;
- (b) whether he is further aware that the road is in a very poor state of repair and is therefore, dangerous to motorists and other users; and,
- (c) what steps he is taking to ensure that the road is brought to good motorable condition.

**The Minister for Public Works** (Mr. Obure): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the Kisumu-Kakamega Road is among the busiest in the country carrying a traffic flow of approximately 1,000 vehicles per day.

(b) The Ministry is also aware that the road is in a poor state of repair. Approximately 50 per cent of the surface has cracked. There are many potholes along that road and, furthermore, the shoulders are worn out.

(c) The Kisumu-Kakamega Road has been included in the Budget for this financial year for routine maintenance and a sum of Kshs105 million has been allocated in the Budget for the purpose. I want to assure the hon. Member and other road users along that road that all the defects currently detectable will be addressed, to restore it to a higher level performance.

**Mr. Chanzu:** Mr. Speaker, Sir, the answer is very inadequate but I would like to inform the Minister since, maybe, his officers have not advised him, that this road was done many years ago in 1962. They have only been doing routine maintenance on it which includes pothole filling

and so on. The amount of Kshs105 million that the Minister has allocated for its repair is about 10 per cent of what is required to do this road which is 50 kilometres.

Could the Minister assure this House that this money will be used for pothole repair but he is also going to look for additional money to do the sealing of this road?

**Mr. Obure:** Mr. Speaker, Sir, I agree with the sentiments expressed by the hon. Member. This particular section, that is the Kisumu-Kakamega Road, is part of an international trunk road linking northern Tanzania through Isebania, Kisii, Kisumu, Kakamega, all the way to Lodwar and the border between Kenya and Sudan. I am aware that plans were under way to rehabilitate this road but the nature of work envisaged at the time would not bring this road to the level required. I want to assure the hon. Member and all other interested parties that we have commissioned an engineering consulting firm who are working on that road right now to redesign it for major reconstruction. We expect this work to be completed towards the first half of next year, following which we will go to tender and I hope that once the tenders are concluded, we will be able to construct this road to the satisfaction of everybody.

**Mr. Shakeel:** Mr. Speaker, Sir, as much as the Minister has given his reply, we know that the tender for the reconstruction is going on but every weekend, there are at least two or three major accidents that take place especially on the Kakamega section.

Mr. Speaker, Sir, the last accident took place only three days ago and the major reason for these accidents are the huge potholes that are now developing due to lack of emergency repairs. Could the Minister assure this House that since Kshs105 million has been allocated for this road that this work will start immediately so that we do not lose further lives?

**Mr. Obure:** Mr. Speaker, Sir, it is regrettable that Kenyans are losing their lives on this road. We are advising motorists in particular to be careful along this road. However, I also want to assure hon. Members that the Kshs105 million allocated will be utilised immediately to repair the damaged sections of this road so that we can make it motorable between now and when major works commence.

**Mr. Chanzu:** Mr. Speaker, Sir, let me thank the Minister for the assurance. However, could he assure the House that among the programmes that he has in place to tour and look at the roads, he will very soon visit the place so that he can see for himself what is happening, including the road from Majengo to Luanda, which is in your place?

**Mr. Obure:** Mr. Speaker, Sir, I am sorry. I did not quite get what hon. Chanzu said. Could he kindly repeat please?

**Mr. Speaker:** Respond to what you got, Mr. Minister! Mr. Chanzu, could you repeat your question?

**Mr. Chanzu:** Mr. Speaker, Sir, I have very high regard for the Minister but I think this is a let down for the first time. You have to be attentive when we are raising these questions. It is very important.

*(Laughter)*

**Mr. Speaker:** Mr. Chanzu, can you repeat your question?

**Mr. Chanzu:** Mr. Speaker, Sir, could the Minister assure this House that among the programmes he has in place, he will make this road among his first priorities and visit it so that he can see for himself its condition including the road from Majengo to Luanda where Mr. Speaker comes from?

**Mr. Obure:** Mr. Speaker, Sir, yes, that is correct. I am familiar with the condition of that road. I intend to visit roads in Western Province, including that particular section and the road junction to your own residence!

**Mr. Speaker:** Thank you.

Mr. Kioni!

*Question No. 150*

CLASSIFICATION OF LOCATIONS  
IN LOWER NDARAGWA AS ASALS

**Mr. Kioni** asked the Minister of State for Development of Northern Kenya and other Arid Lands:-

- (a) whether he could explain to the House the criteria he uses to classify areas as Arid and Semi-Arid Lands (ASALS); and,
- (b) when Ndivai, Mbuyu, Uruku, Ndogino and Kariki locations within the lower part of Ndaragwa Constituency will be classified as Arid and Semi-Arid Lands (ASAL).

**The Minister of State for Development of Northern Kenya and other Arid Lands** (Mr. Elmi): Mr. Speaker, Sir, I beg to reply.

On the first part of the Question by the hon. Member on the criteria that the Ministry uses to classify areas as Arid and Semi-Arid Lands (ASALS), I would like to say that the Ministry of State for Development of Northern Kenya and other Arid Lands does not do the classification. But it uses the classification that is undertaken by the Kenya Agricultural Research Institute (KARI) in collaboration with the Kenya Meteorological Department. We use that classification to decide on the areas that should be classified as ASALS.

The classification is usually based on aridity, which takes into account several factors, namely rainfall, temperature, humidity, evaporation, soil types and the overall agricultural productivity of the area.

On the second part of the Question, I assume he implies: When the Ministry will put those areas under it? The Ministry will liaise with the relevant departments that I have mentioned above. We realize and recognize that aridity is not static and that, over time, a number of districts in Kenya that were initially not classified as ASALS have been classified at a later date. They have developed the characteristics of ASALS at a later date. So, at an appropriate time, we will liaise with those departments and see whether those areas that the hon. Member has mentioned could be classified as ASALS.

**Mr. Kioni:** Thank you, Mr. Speaker, Sir. One thing that is disturbing is that the answer that the Minister has given is totally different from what was given to me in writing. It is totally different and that makes it really difficult for us to continue interrogating him. But all said and done, Mr. Speaker, Sir, this is a very specific Question. The answer that has come is really general. It is talking about the whole world! I asked a very specific Question that relates to Ndaragwa Constituency and, specifically, the four areas that I have mentioned. Could the Minister give us a specific answer so that we can ask further questions?

*(Applause)*

**The Minister of State for Development of Northern Kenya and other Arid Lands** (Mr. Elmi): Mr. Speaker, Sir, I tried to anticipate why he asked this Question. So, maybe, I should just answer very clearly!

Mr. Speaker, Sir, I beg to reply.

- (a) The Ministry does not do the classification of ASALS.
- (b) Therefore, the Ministry will not be able to classify those areas.

Thank you, Mr. Speaker, Sir.

**Mr. Speaker:** Order, Mr. Minister! Why have you not commented on the reason why you have supplied two different sets of answers?

**The Minister of State for Development of Northern Kenya and other Arid Lands (Mr. Elmi):** Mr. Speaker, Sir, the content of what I said here--- I did not read the answer. But in my view, it is the same as what I have here. I could read it so that the hon. Members can see that, actually, content-wise, it is not different.

**Mr. Speaker:** Mr. Kioni, could you confirm whether those answers are the same?

**Mr. Kioni:** Thank you, Mr. Speaker, Sir. The second answer that he has given is different from the first one! It is also different from the one in the written reply.

**Mr. Speaker:** Very well, Mr. Kioni! That is fine! It is good enough! We want to discourage this habit of giving two sets of different answers or more. I will order that this Question be deferred to Thursday afternoon this week! Mr. Minister, you must come with a clear answer. Only one answer shall be supplied to the hon. Member and to the House!

*(Applause)*

*(Question deferred)*

Mr. K. Kilonzo!

*Question No. 098*

#### OPERATIONALIZATION OF NEW DISTRICTS

**Mr. K. Kilonzo** asked the Minister of State for Provincial Administration and Internal Security:-

- (a) in view of the fact that many districts were created by the President during the campaign period, what he is doing to ensure that the same are legalized; and,
- (b) whether he could consider ensuring that all constituencies are made districts for easy administration.

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

(a) Upon request from leaders and members of the public from various areas across the country, the Government published gazette notices to inform the public of the intention to create new districts carved from various districts. Further, the Government is currently undertaking a delineation exercises to ascertain the boundaries of all the districts. So far, the delineation of boundaries of 116 districts is complete and the remaining 32 districts will be completed in the current financial year, 2008/2009. Once the delineation exercise is complete, the description of the district boundaries will be presented to this House through a Bill, to be prepared, for the amendment of the District and Provinces Act No.5 of 1992.

(b) The creation of the new districts is based on criteria other than the constituencies, such as the population density, the geographical and physical features, internal harmony, population, security demands, socio-cultural activities, land size management, constraints and development. If there is a constituency that meets the above criteria, it will be considered. In fact, several districts in ASALs, including Turkana, Samburu, Laikipia, Marsabit, Isiolo and all the constituencies in North Eastern Province were made districts.

**Mr. K. Kilonzo:** First of all, Mr. Speaker, Sir, I wish to thank the Chair for ordering that

the answer to this Question be brought today, having been pushed to the back burner.

Mr. Speaker, Sir, the criteria that the Minister has given is normally not the one that is followed. The hon. Member for Teso Constituency shares two districts. There are two districts in one constituency. Nearer my home in Mbooni Constituency, they share two districts and it is a very small constituency. Yet, Mutito Constituency, which I represent in this august House, requested the President and the Provincial Administration to have a district. It was turned down because I belonged to the Opposition, which I still belong to!

*(Applause)*

Could the Government lay on the Table a criteria here that confirms the districts that were formed in 2007 during the campaigns, and explain to this House why Mutito Constituency did not get a new district and yet, it meets those requirements?

**Mr. Lesrima:** Mr. Speaker, Sir, the Minister is not correct---

*(Laughter)*

Sorry, the hon. Member is not correct to say that Teso Constituency has two districts. He does not have the facts.

**Hon. Members:** He has!

**Mr. Speaker:** Mr. Assistant Minister, proceed!

**Mr. Lesrima:** Mr. Speaker, Sir, I also do not have information with regard to hon. K. Kilonzo's constituency. What I am told is that when the President visited Mutito Constituency, no request was made. That is the information that I have been given at the Ministry.

Finally, Mr. Speaker, Sir, I tend to agree with him! Yes, it is during the political campaign period that those requests tend to intensify, and that the criteria may have been adjusted during that period.

**Mr. Midiwo:** Thank you, Mr. Speaker, Sir. First of all, let me correct the Assistant Minister that Teso/Amagoro has two districts but is one constituency. That is for sure unless, the Assistant Minister is living in another country. We have been doing this constitutional process and they are in the Bomas of Kenya asserting the Boundaries Commission. We also said, under the devolution, that to cure the political mess with the districts, and it turned out we were right, let each constituency be the centre of administration because it is about provision of services to the people.

Could the Assistant Minister commit to this House, that as they go out creating these districts, they will do it on a temporary basis so that when we conclude the process of constitutional review, each constituency shall share national resources and services in an equal and equitable manner?

**Mr. Lesrima:** Mr. Speaker, Sir, indeed, I have said that the creation of these districts have got to be ratified by a Bill of Parliament through the amendment of the 1992 Act. So, the Member is, indeed, right to say that the arrangements in a way are not completely legalised until those amendments are passed by this House. I also agree that since it is a requirement by the people of Kenya, maybe, through the constitutional review, we should then agree that every constituency also becomes a district.

**Mr. Sirma:** Mr. Speaker, Sir, thank you for giving me this opportunity. I think in 2002, the then Minister who created these districts, was a Backbencher and he took the Government to court. What made him change his mind to legitimise the so-called illegal districts which he had taken the Government to court for? Could the Assistant Minister, therefore, legitimise all the constituencies in Kenya as districts?

**Mr. Lesrima:** I am not aware of what the previous Minister did in court when he was an ordinary Member of Parliament. But as I have said earlier on, as of now, 69 constituencies are districts. So, if we were to make all of them districts, then we have 141 to go. Once we finalise the exercise I have mentioned earlier on, we will bring the amendments to the House.

**Mr. K. Kilonzo:** Mr. Speaker, Sir, you can see the interest this Question is generating, mostly because of the districts having been made the focus of distribution of resources in this country. Mutito Constituency, and Kitui District, in general, gets a raw deal when there is employment of teachers, police officers and other Government bodies. They are based on the district and yet smaller districts than Mutito District, which have only one constituency, are allocated equal slots to Kitui District. Kitui District has also more people.

Could the Government ensure that the recruitment of teachers and the distribution of resources is based on constituencies rather than districts because some constituencies are getting a raw deal?

**Mr. Lesrima:** Indeed, I will attempt to do so. With regard to education, the DCs are the chairs of the District Education Boards (DEBs). When they do recruitment, they should take into consideration the issue of constituencies. With regard to other Ministries, I think he has made his point. Thank you.

**Mr. Speaker:** Order, hon. Members! Today being an allotted day, we do not have any further time for Questions. The balance of the Questions on the Order Paper are, therefore, deferred to tomorrow. They will take priority over the Questions which are scheduled to appear accordingly.

*Question No.197*

NUMBER OF ECD TEACHERS IN LIMURU

*(Question deferred)*

*Question No.181*

BENEFICIARIES OF COMMONWEALTH  
SCHOLARSHIPS FROM SAMBURU

*(Question deferred)*

*Question No.178*

IMPLEMENTATION OF REPORT OF  
PRESIDENTIAL ACTION COMMITTEE ON  
MUSLIMS' CONCERNS

*(Question deferred)*

*Question No.158*

EQUIPPING OF CDF YOUTH  
POLYTECHNICS IN MUTITO

*(Question deferred)*

*Question No.157*GAZETTEMENT OF NEW LOCAL  
AUTHORITIES*(Question deferred)**Question No.242*LIST OF FARMS PURCHASED FOR  
RESETTLEMENT OF SQUATTERS  
IN TRANS NZOIA*(Question deferred)***COMMUNICATION FROM  
THE CHAIR**LAYING OF REPORT ON SALE OF  
GRAND REGENCY HOTEL

**Mr. Speaker:** Hon. Members, you will recollect that on 8th July, 2008, the Chair issued directions to the effect that the Departmental Committee on Finance, Trade, Tourism and Planning proceeds with its investigations into the topical matter of the Grand Regency sale expeditiously and that it files its Report for debate and adoption within two weeks.

The two weeks are expiring today and the House, therefore, is anxious and in a lot of expectation to have that Report tabled.

**Mr. Okemo:** Thank you very much, indeed, Mr. Speaker, Sir. I wish to report the progress on the preparation of the Report which will be submitted to this House. We have almost concluded obtaining evidence from various witnesses. We are now going to embark on the final leg, which is writing of the Report. I would like to bring to the attention of this House the fact that we shall present Report to the House next week on Thursday.

**Mr. Speaker:** Very well! Yes, Mr. Minister for Roads!

**POINTS OF ORDER**

**Dr. Khalwale:** On a point of order, Mr. Speaker, Sir. I had approached you about a brief--

**Mr. Speaker:** The Chair is aware. There is a Ministerial Statement to be given by the Minister for Roads. You will come after that.

**Dr. Khalwale:** Thank you.

**CARRYING OUT DEBATE OUTSIDE PARLIAMENT  
IS AGAINST STANDING ORDERS**

**Mr. Midiwo:** On a point of order, Mr. Speaker, Sir. This is in relation to what has been raised by the Chair and related but it is not quite related to it. On 8th July, the Speaker issued a ruling as regards to what Members could do and what Members of Parliament could not do outside

this Chamber with regard to the investigations on the sale of the Grand Regency. On Sunday, in a homecoming for Mr. Ngugi in Nyandarua, a few things were said which need clarification from the Chair because Kenyans are concerned.

The media report says up to 15 Members were there. They say the Speaker and the Vice-President and Minister for Home Affairs were there. What I saw live on Citizen TV is that the former Minister for Finance cast a lot of aspersion on this House. The first issue I want to raise is: Was it normal that Members of this House can go out in goat eating rallies and start discussing a matter which the Speaker ruled on? That is the first issue I want the Speaker to rule on.

*(Applause)*

Mr. Speaker, Sir, I want to quote the former Minister for Finance when he said that "were the Speaker in the country, the Motion would not have passed"

**Hon. Members:** Oh!!

**Mr. Midiwo:** Mr. Speaker, Sir, this is a very serious issue. I sit in this Committee and I would want clarification because what I saw as a Member of Parliament and as a member of this country and as somebody who contributed in that debate, there was a clear attempt from the former Minister and some hon. Members to clear or to influence the outcome of the Report of the Departmental Committee on Finance, Trade, Tourism and Planning, and also, the outcome of the report on the Presidential Commission to investigate the former Minister.

So, I want the Chair to clarify to this country if he was aware, and if he has given any assurances to the former Minister that the Motion, which was passed on him by this House because of ineptitude and because of abuse of office, was wrong and that the House was out of order.

Thank you.

**An hon. Member:** On a point of order, Mr. Speaker, Sir.

**Mr. Speaker:** Order! Hon. Members, I will not allow further points of order on that matter. But I will order as follows: That, that matter, on the face of it, is fairly grave and of very serious concern. It is, therefore, deferred for consideration and an appropriate ruling tomorrow afternoon.

*(Applause)*

Mr. Minister!

**MINISTERIAL STATEMENT**  
PROGRESS OF REHABILITATION OF  
MOMBASA ROAD

**The Minister for Public Works** (Mr. Obure): Thank you, Mr. Speaker, Sir, for giving me this opportunity to make a Ministerial Statement, on behalf of the Ministry of Roads, in response to concerns expressed in this House by the hon. Member for Yatta last Wednesday.

Mr. Speaker, Sir, it is correct that the Nairobi-Mombasa Road is the lifeline of this country, as it connects the capital and hinterland with our main sea port. The current condition of the various sections of the Nairobi-Mombasa Road is as follows:-

The section between Miritini and Maji ya Chumvi is considered excellent. Maji ya Chumvi to Bachuma Gate is in good motorable condition. The Bachuma Gate to Mtito Andei is also in excellent condition. Mtito Andei to Sultan Hamud is in excellent condition. The section from Sultan Hamud to Machakos Turn-off is currently under rehabilitation. The Machakos Turn-off to Jomo Kenyatta International Airport (JKIA) Turn-off is also under rehabilitation. The balance of



the road into Nairobi City is also under rehabilitation.

From what I have said, it can be seen that the condition of the road between Sultan Hamud and Mombasa ranges from being excellent to good. The road between Nairobi and Sultan Hamud is the subject of two on-going contracts for major pavement rehabilitation. As the rehabilitation proceeds, the existing pavements have to be maintained regularly before they are replaced with new heavy duty pavements. My Ministry has taken a careful note of the hon. Member's concern that diversions are not frequently maintained, and that small vehicles are, sometimes, compelled to take alternative longer routes through Kangundo. We regret that the surface condition of the diversions has not been satisfactory because of the pressure and damage caused by the high volume of traffic flow along that road. My Ministry has now taken firm measures to ensure that all the diversions are properly maintained and made motorable at all times throughout the period until the project is completed.

To further alleviate the current situation, my Ministry has opened an additional 7 kilometres of road, where two layers are in place while awaiting placements of the final layer.

Concerning security, my Ministry will continue to work closely with the relevant arms of Government to ensure safety and security of all road users. In connection with the traffic jams, the Ministry of Roads is aware that those traffic jams have been occurring at Mlolongo, around the weighbridge and in the vicinity of cement production facilities along the diversion road in Athi River. Indeed, the congestion and high traffic volumes between Athi River and JKIA Turn-off is the main reason the Ministry is building a new dual-carriage way on that section.

At the Mlolongo Weighbridge, the Ministry will shortly commence the construction of modern facilities which will be installed on both sides of the road. The stereo arrangement means that the independent weighbridges will be built to weigh vehicles heading in the direction of Nairobi, while vehicles heading in the direction of Mombasa will also have their own facilities.

Consequently, the numerous turning pavements and movements that cause heavy traffic jams which we are currently witnessing, will be a thing of the past once the two weighbridges are constructed on both sides of the road.

For the present, while construction continues, the public will use the newly built second carriage way, wherever possible so as to reduce and ameliorate delays and congestion.

The Sultan Hamud/Machakos Turn-off Road will be completed in February 2009, while the Machakos Turn-off to JKIA Road will be completed towards the end of next year. You may also recall that the Ministry encountered and still continues to encounter problems pertaining to the right of way on the road reserves. That has had a negative impact on timely completion of that project. I would like to appeal for full co-operation, especially, from all Members of Parliament when the Ministry lays claim on road reserves.

Finally, Mr. Speaker, Sir, my Ministry regrets the inconvenience and frustration suffered by road users. However, we appeal to them to bear with us as that is the cost that we all have to pay before we get a first class quality road.

Thank you.

**Mr. C. Kilonzo:** Thank you, Mr. Speaker, Sir. First, let me state that since last week, the contractor has moved overnight and he is doing a good job in maintaining the bad sections of the diversions. But, I want the Minister to clarify the following:-

*(Loud consultations)*

Mr. Speaker, Sir, could you protect me? Hon. Members are consulting loudly. I can barely hear myself.

**Mr. Speaker:** Order, hon. Members! Could we lower the level of our consultations,

please?

**Mr. C. Kilonzo:** Thank you, Mr. Speaker, Sir. Could the Minister clarify the following:-

1. Will the contractor only maintain the diversions after we bring the issue to Parliament?
2. When will the road be completed?
3. Is the dual carriageway going to be up to Chumvi or only up to Athi River?

**Dr. Munyaka:** Mr. Speaker, Sir, if the contractor was the one who was supposed to maintain the diversion - and we have had reports of many cases of vehicles breaking down on that road - could the road users then go ahead and demand for compensation?

Secondly, the section between Nyayo Stadium and City Cabanas has stalled and the equipment has been removed from site. Traffic jams are experienced on that section for almost one hour every morning and evening. They have also put a lot of stones on the sides of the road, hence creating more traffic jams on the road.

**Mr. Speaker:** Mr. Minister, could you deal with those issues?

**The Minister for Public Works (Mr. Obure):** Mr. Speaker, Sir, on the first question, the diversions are supposed to be maintained by the contractor, as a matter of compliance with the current contractual provisions.

We know that, that has not always happened. Therefore, measures have been taken to ensure that the contractor complies with the provisions of the contract, namely, to maintain the diversions.

Mr. Speaker, Sir, on completion date, I would like to say that the portion of road between Sultan Hamud and Machakos Turn-off will be completed in February 2009, while the rest of the section between Machakos Turn-off to JKIA will be completed in December, 2009.

Mr. Speaker, Sir, on the question regarding compensation by the Member for Machakos Town, there are no provisions at the moment to compensate motorists for delays, inconvenience or even the frustrations they undergo.

All we can do is to appeal to them to be patient with us, as we try to do a good job there.

Mr. Speaker, Sir, the section between the City Cabanas and Nairobi is undertaken by a different contractor. This is a completely different arrangement but we had discussions with the contractor to emphasize the need for him to complete the section between the Jomo Kenyatta International Airport (JKIA) all the way to UNEP, as soon as possible.

## POINTS OF ORDER

### REVOCATION OF SALE OF GOVERNMENT HOUSES TO CIVIL SERVANTS

**Dr. Khalwale:** Mr. Speaker, Sir, I stand on a point of order to request for a Ministerial Statement from the Minister for Housing. This is in respect of the sale of Government residential houses to civil servants that was started four years ago.

This matter is urgent because the Minister has announced that he wants to refund thousands of civil servants the money that they paid as down payment. I am, therefore, requesting the Minister to clarify the following points:

- (1) What prompted him to rescind his earlier decision that those houses may be sold?
- (2) Why did it take this Minister over four years to have a change of mind during which time the people who had paid money went ahead and upgraded the properties? They incurred interest over the four years on loans they had borrowed to buy the houses.
- (3) How many houses, in the first place, did he sell and how much money did he realise

from the sale?

Mr. Speaker, Sir, the Minister must clarify to the country whether he will have to throw out those civil servants, some of them already retired, who had already moved into the house and upgraded them. The Minister should also make it clear whether he is going to compensate those people, in view of the interest on loans borrowed and in view of the cost of upgrading.

Finally, Mr. Speaker, Sir, the Minister should clarify whether he is aware that in so doing, he has actually opened the Government up for litigation.

**Mr. Speaker:** Mr. Minister, when will this Statement come?

**The Vice President and Minister for Home Affairs** (Mr. Musyoka): Mr. Speaker, Sir, I intend to inform Mr. Shitanda expeditiously and if Dr. Khalwale will bear with the House, we will bring the Statement next week on Tuesday.

**The Minister for Water and Irrigation** (Mrs. Ngilu): On a point of order, Mr. Speaker, Sir. I would like to make a Ministerial Statement on the Staff Changes that we made two weeks ago.

**Mr. Speaker:** Very well, Mrs. Ngilu! You made that indication to me this afternoon but as I said, this is an Allotted Day. We have run out of time, and I will want you to make that Statement tomorrow afternoon.

**The Minister for Water and Irrigation** (Mrs. Ngilu): Thank you Mr. Speaker, Sir.

#### ROLE OF PRIVATISATION COMMISSION

**Mr. Okemo:** On a point of order, Mr. Speaker, Sir. I requested for a Ministerial Statement from the Minister for Finance on the Role of the Privatisation Commission and what it has done up to date. The Statement was promised to be given today.

**Mr. Speaker:** Minister for Finance, are you ready with your Statement?

The Minister for Finance was under duty to be here!

**Mr. Okemo:** Mr. Speaker, Sir, on the day that I requested for the Statement, the Assistant Minister actually threatened to give it! He pretended that he was ready yet now there is nobody here.

*(Laughter)*

**The Vice President and Minister for Home Affairs** (Mr. Musyoka): Mr. Speaker, Sir, I did not get the last bit from my good friend Mr. Okemo, but---

**Mr. Speaker:** He said that the Assistant Minister pretended to be ready when he, in fact, was not!

**The Vice President and Minister for Home Affairs** (Mr. Musyoka): Oh, I see. "Pretending" in my view, is unparliamentary, Mr. Speaker, Sir. But be that as it may, if the hon. Member for Nambale could please know that the Acting Minister for Finance was here and I gather that he has been called out for some urgent consultation. I am sure he has taken this matter very seriously and you will be hearing him on this very important matter of privatization.

**Mr. Speaker:** Can we have that Statement on Thursday?

**The Vice President and Minister for Home Affairs** (Mr. Musyoka): Mr. Speaker, Sir, I am told that the Acting Minister will be away in Mauritania for an IMF meeting.

**Mr. Speaker:** What about tomorrow morning?

**The Vice President and Minister for Home Affairs** (Mr. Musyoka): Mr. Speaker, Sir, I am told he leaves tomorrow morning. **Mr. Speaker:** Okay, then it will have to be Tuesday next

week!

**Mr. Okemo:** Mr. Speaker, Sir, but the Assistant Minister who was rearing to give the Statement can give the Statement on behalf of the Acting Minister. Is he accompanying the Minister?

**Mr. Speaker:** Leader of Government Business are you able to adjust? If you are not, then it is Tuesday afternoon!

**The Vice President and Home Affairs** (Mr. Musyoka): Mr. Speaker, Sir, I am happy to note that the Member for Nambale thinks we have an exuberant Assistant Minister for Finance. Consultations will take place but without any commitment. I am sure the Acting Minister would have wanted to make this Statement himself in view of the seriousness of this matter.

**Mr. Speaker:** Very well!  
Next Order!

## BILLS

### *First Readings*

#### THE CONSTITUTION OF KENYA REVIEW BILL

*(Order for First Reading read -  
Read the First Time - Referred to  
the relevant Departmental Committee)*

#### THE CONSTITUTION OF KENYA (AMENDMENT) BILL

*(Order for First Reading read)*

Next Order!

## COMMITTEE OF SUPPLY

*(Order for Committee read being the  
Seventh Allotted Day)*

**Mr. Speaker:** Order, hon. Members! In view of where we are beginning this Order, we will have to sit up to 6.53 p.m.

Mr. Minister, please, proceed!

## MOTION

THAT MR. SPEAKER DO NOW  
LEAVE THE CHAIR

Vote 30 - Ministry of Energy

**The Minister for Energy** (Mr. Murungi): Mr. Speaker, Sir, I beg to move that Mr. Speaker do now leave the Chair.

Mr. Speaker, Sir, the core activities undertaken by the Ministry of Energy include the following:

- (i) Expanding and upgrading of energy infrastructure.
- (ii) Promoting energy efficiency and conservation.
- (iii) Protecting the environment.
- (iv) Mobilising requisite financial resources for operation and expansion of energy supply and distribution.
- (v) Energy security of supply through diversification of sources and mixes in a cost-effective manner.
- (vi) Increasing energy access to all segments of our population.
- (vii) Enhancing legal, regulatory and institutional framework to create both consumer and investor confidence.
- (viii) Enhancing and achieving economic competitiveness, efficiency in energy production, supply and delivery.

Mr. Speaker, Sir, the Ministry of Energy is carrying out its mandate under very difficult international and local business environments.

*[Mr. Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, the skyrocketing global energy prices have dangerous repercussions for our economy. As you may have noted both in the local and international Press, there is global unrest due to high energy prices basically dubbed, "Food and Fuel Crisis". In the whole of Africa, there is a chronic power shortage largely due to under investment in electricity generation, transmission and distribution infrastructure. Kenya is caught up in this difficult energy situation. Petroleum and electricity are the main sources of commercial energy in Kenya.

Fuel wood is the primary source of energy used to meet domestic energy needs, especially of our rural and urban poor. Over 80 per cent of our people do not have access to modern energy services such as electricity or liquefied petroleum gas. They still depend on wood, crop residues, cow dung and other biomass to meet their cooking and eating needs. The availability of wood fuel in adequate quantity in an environmentally sustainable manner is a major challenge, especially to people in our rural areas. To address this challenge, my Ministry has embarked on an ambitious programme to meet the energy needs of the poor through what we are calling The Kenya Energy Sector Environment and Social Responsibility Programme. It is intended to supply firewood to the rural Kenya.

Hon. Members will recall that this programme was launched by the Right Honourable Prime Minister at KICC in June, 2008. We have identified women and youth groups all over the country to be our key stakeholders and drivers of this project. We are working with Maendeleo ya Wanawake on the wood fuel project and we shall soon be discussing with hon. Members on ways of involving the youth in the various constituencies in this project.

Mr. Temporary Deputy Speaker, Sir, in the area of electricity supply, we are struggling to keep up with demand which is currently about 1,100 megawatts relative to an effective generation capacity of 1,147 megawatts. The current demand/supply balance leaves no room for maintenance of big and low power units with rated capacities of, at least, 53 megawatts each. Under dry weather conditions, this effective generation capacity falls substantially below demand depending on the intensity of the drought. It is for this reason that a temporary thermal capacity of about 46

megawatts has been installed by the Government through the Independent Power Producers (IPPs). To address this weak supply/demand balance, my Ministry has put in place appropriate measures to increase the generation capacity in tandem with the rising demand for electricity which is projected to grow at 7.9 per cent per annum between now and the year 2020. In this respect, arrangements are in place for the installation of a new power plant with a combined capacity of 315 megawatts within the next two years.

In electricity distribution, KPLC has continued to enhance its efforts to connect more people. In the fiscal year 2006/2007, the company connected 122,080 new customers across the country. In the following year, 2007/2008, the company connected 140,807 customers. We are set to connect one million customers between now and the year 2012. It is worth of note that since this country was founded by the British colonialists in 1897, it took 110 years to connect one million customers. We connected the 1 millionth customer in December, 2007. We have a very ambitious project of connecting one million customers in the next five years. So, we shall have done what all the successive Governments, that is, the colonial Government, the Kenyatta Government and the Moi Government did over 110 years, in five years. I need the support of hon. Members to implement this ambitious project.

Mr. Temporary Deputy Speaker, Sir, regarding petroleum fuel, the ultimate solution to high petroleum prices in this country is discovering our own oil and gas. Although we have made many efforts, Kenya is yet to discover any commercial deposits of hydro-carbon reserves. This is largely due to under-investment and under-exploration in the area of oil and gas, that is, in the upstream sector of this country. In the last three years, we have intensified oil exploration activities and most of the country's blocks are now under exploration contracts. We are hopeful that we will soon discover commercial deposits of both oil and gas. I believe that we have oil and gas somewhere in this country. It is only a matter of time before we discover it.

The Government's objective of providing affordable petroleum products for accelerated socio-economic development is faced with major challenges because of the recent increase of crude oil prices from US\$62.1 per barrel in April, 2007 to roughly US\$140 per barrel in July, 2008. This reflects an increase of more than 100 per cent. Its impact on our oil pump prices and, indeed, the entire economy has been traumatic. Due to this unprecedented increase in local pump prices, there have been calls from several quarters for the Government to subsidise consumer prices and also to introduce price controls. As a Ministry, we have been reluctant to introduce price controls because this could result into product shortage which used to be the order of the day during the days of price controls. We can say this with confidence because my Permanent Secretary, Mr. Patrick Nyoike, was the Price Controller in 1980 and he understands the impact that there was in this sector during that time of price controls.

The Government is concerned about high domestic prices of petroleum fuels as they adversely impact on the economy. To address this challenge, the Government is taking steps to strengthen the National Oil Corporation of Kenya (NOCK) so that it can become a market leader and, indeed, a price setter in this sector.

The Government has provided funds to NOCK to acquire 13 retail outlets formerly owned by the BP Kenya, and it is also in the process of facilitating acquisition of a further 33 outlets owned by Somken Kenya Limited. In addition, we are looking out for any new opportunity to enable us expand NOCK's petroleum business and we shall exploit them as they become available.

Mr. Temporary Deputy Speaker, Sir, as part of this strategy, we have appealed to the Government to ensure that all Ministries and departments, including parastatals, are encouraged and required to purchase all their petroleum products from NOCK, or its appointed agents in order to reduce the cost of oil supply. It is hoped that the expansion of NOCK's oil distribution and retail network will enable the corporation to play a significant role in the Kenyan market, and thus help

reduce domestic prices of petroleum fuels.

While the most viable long-term solution for Kenya, as I said, is to find her own oil reserves, the Government has planned to establish strategic petroleum reserves of up to 90 days of consumption as provided for in the Energy Act, No.12 of 2006, and the attendant Legal Notice No.43 of 2008. These strategic stocks, once procured, will be utilised from time to time to stabilize domestic prices and to ensure security of supply in the event of disruptions in the supply chain.

With those introductory remarks, it is now my wish to elaborate on the activities which I seek approval of this august House to spend a sum of Kshs30,386,871,711 on development activities and Kshs372,581,207 on recurrent support services during this financial year. During this financial year, my Ministry is proposing to spend Kshs131,940,000 under the multi-donor funded Energy Sector Recovery Project to undertake the following activities.

Mr. Temporary Deputy Speaker, Sir, a sum of Kshs100,640,000 has been budgeted to support capacity building by the Ministry as follows: Kshs21,240,000 will be used to undertake a feasibility study on the development of a 300 megawatts coal, fire and plant, and to carry out an environmental and social impact project under related power distribution and transmission systems at a cost of Kshs63 million. As you are aware, the Energy Regulatory Commission (ERC) established under the Energy Act, No.12 of 2006, became operational on 1st July, 2007. To strengthen its operational capacity, a sum of Kshs30,800,000 has been set aside to finance development of a business plan, and to support capacity-building related services.

My Ministry is proposing to spend Kshs12,018,650,000 to complete a study on the demand for petroleum products in Kenya, which was started during the previous financial year. The result of this study, which is scheduled in November 2008, will be used to determine the size and timing of the construction of a second oil pipeline from Mombasa to Nairobi. In addition, my Ministry is proposing to spend Kshs1 million for project monitoring and evaluation.

Under Head 430, Wood Fuel Resource Development, we are proposing to spend Kshs338,900,000. Under this Head, my Ministry is proposing to spend Kshs225 million for the purchase of land to expand the existing Wambugu and Migori energy centres, and to establish three new energy centres. These activities will accelerate expansion and introduction of new and renewable sources of energy, including solar electricity generators, solar water heaters, wind power systems and growing of biofuel crops such as Jatropha.

My Ministry has also set aside Kshs100 million for the promotion and popularization of the benefits of environmental conservation and installation; specifically, this will entail creation of a culture of efficient use of energy and promotion of commercial tree growing, including suitable crops, for production of biofuels. These activities will be implemented under the umbrella of the Kenya Energy Sector Environmental and Social Responsibility Programme and the energy centres. The balance of Kshs13,900,000 will be used for the purchase of certified crop seed, training and research and development and demonstration in energy centres.

Mr. Temporary Deputy Speaker, Sir, my Ministry is proposing to spend a sum of Kshs50,100,000 to undertake various renewable energy activities that will include conducting feasibility studies on 12 small hydro power sites in western and central Kenya, and the purchase and installation of more wind masts and data loggers to facilitate selection of suitable sites for harnessing wind power for electricity generation.

Mr. Temporary Deputy Speaker, Sir, in recognition of the benefits associated with adoption of energy efficiency and conservation, efforts geared towards reduction of the cost of energy to manufacturers, my Ministry will continue to support the Kenya Association of Manufacturers (KAM) with Kshs30 million for promotion of efficient, but cost effective energy systems among its membership.

Provision has been made of Kshs6.9 billion under my Ministry for remittance to KENGEN

to cover the cost of temporary rental generation capacity of 146 megawatts, including Excise Tax and levies imposed on diesel for emergency power generation.

My Ministry is further proposing to spend a sum of Kshs2,165,472,475 to upgrade the power distribution system of the Kenya Power and Lighting Company (KPLC) through the multi-donor- funded Energy Sector Recovery Project. The bulk of these funds, that is Kshs1,785,000,000 will be provided by the World Bank, the European Investment Bank, the Nordic Development Fund and the French Agency for Development.

Mr. Temporary Deputy Speaker, Sir, the balance of Kshs380,472,475 will be provided by Kenya Power and Lighting Company as their counterpart contribution. In addition, the Government of China will provide Kshs700 million for construction of transmission lines and associated distribution networks to upgrade the quality of power supply in Nyanza Province and part of Eastern Province. Further to this, the Government of Belgium will provide an additional sum of Kshs300 million for the construction of a transmission line and associated distribution network to improve the quality of power supply in the South Coast, and another Kshs200 million for construction of a 5.3 megawatts wind power plants.

My Ministry has further allocated a sum of Kshs760 million out of which Kshs710 million will be used for construction of new transmission lines, while the balance of Kshs50 million will be used to finance establishment of a new power transmission company later this year. The new transmission company is expected to provide a major relief to consumers of electricity as electricity tariffs will not be raised to provide requisite funds for construction of new transmission lines, since the construction of such lines will be funded by the Exchequer through this company.

Mr. Temporary Deputy Speaker, Sir, the ultimate solution for affordable electricity in this country will be the development of our vast geothermal resources. My Ministry is proposing to spend Kshs4,497,300,000 from Exchequer resources on Olkaria IV for drilling steam production wells for electricity generation. It is critical that this drilling campaign will support the proposed 270 megawatts geothermal power plants to be intensified as geothermal energy is the only available domestic resource for generation of low cost environmental-friendly electricity.

In addition, a sum of Kshs2,257,340,586 has been provided as a loan from the World Bank, the European Investment Bank and AFD of France under the Energy Sector Recovery Project for development of a third 35 megawatts geothermal power units at Olkaria II Power Station. The Kenya Electricity Generation (KENGEN) Company will provide a sum of Kshs57,340,586 as its counterpart contribution to this project.

Mr. Temporary Deputy Speaker, Sir, as I said, we have a very ambitious Rural Electrification Programme (REP) through which we intend to connect one million households to electricity in the next five years. In this financial year, my Ministry is proposing to spend a total of Kshs11,553,300,000 under the REP. The Ministry proposes to spend this amount as follows: Kshs450 million from the Government of France, and Kshs400 million from the Spanish Government, both for rural electrification.

A sum of Kshs5,146,978,000 will be directly from the Exchequer and local Appropriation-in-Aid (A-in-A) for rural electrification. A sum of Kshs300 million will be for installation of solar electricity, generators in schools, dispensaries and health centres in ASAL areas. A sum of Kshs17 million will be grant funds from the Government of Finland for updating the Rural Electrification Master Plan, which we expect to complete in September, 2008.

Mr. Temporary Deputy Speaker, Sir, my Ministry is undertaking coal exploration drilling in Mui Basin, in the greater Kitui and Mwingi Districts. So far, 26 wells have been drilled and good quality coal has been identified. It is on this basis that my Ministry is requesting the approval for Kshs30,758,952,919 to cover both Development and Recurrent Expenditure for this fiscal year. I am, therefore, pleading with Members of Parliament to support us.



With those remarks, I beg to move and invite Dr. Wekesa to second the Motion.

**The Minister for Forestry and Wildlife** (Dr. Wekesa): Mr. Temporary Deputy Speaker, Sir, on the outset, I would like to second this Motion.

As you are aware, our economy is essentially driven by provision of energy. I want to commend the Minister for the efforts he has undertaken, not only this year but over the last two to three years as well. Hon. Members will agree with me that there is a definite improvement of electrification not only of our rural areas but also in our industrial areas. This has been particularly notable in the last two years.

Mr. Temporary Deputy Speaker, Sir, in my own constituency, we had never seen an electricity line but as a result of the Minister's efforts over the last two years, we can now boast that Kwanza constituency has electricity. I am sure that many constituencies have now experienced the Ministry's efforts of trying to reach out not only to the urban areas but also to our rural areas. This effort must be supported by all of us.

We note that the Minister has an ambitious programme, particularly in trying even to introduce cheaper methods of producing power. It is unfortunate that we, in Kenya, do not have natural resources like coal, oil and gas.

However, as the Minister hopes, somewhere in Kenya, there could be oil or gas. We need to allocate more money to the research aspect of this effort, because I do not believe that our entire North Eastern and Eastern Provinces do not have anything.

Mr. Temporary Deputy Speaker, Sir, I am sure we can get oil or gas, but that can only be realised if more research and funding is provided for exploring the availability of these alternative means of energy. I am particularly impressed with the amount of money that has been put aside for tree planting. This is a source of energy that we have been used to for many years. Our rural communities depend very much on wood fuel, and even our factories would do well with wood fuel. For example, PanPaper Mills is finding it very difficult to use the usual energy that we know of, and is looking at other sources of energy to try and reduce the cost of energy.

It is, indeed, a responsibility for all us to go round our constituencies and encourage Kenyans to plant trees, so that they can have charcoal and avoid the expensive sources of energy by using charcoal. Charcoal is a resource of energy that we can find from wood. Very soon, we shall find that a Bill will be brought to this House to address the issue of availability of charcoal. So far, when you talk of charcoal we think that it is illegal to use charcoal. That is just because we have not addressed the issue properly. Indeed, you can produce charcoal on your farm and use it domestically, or for industrial purposes. So, a Bill will soon be brought to this House to address that. Therefore, I commend the Minister for setting aside some money for planting trees in the country.

Mr. Temporary Deputy Speaker, Sir, biofuel is being used by very many countries. Two years ago I was in Brazil, and was impressed that Brazil, as a country, has put more resources in biofuel. Most of their cars use biofuel and they have reduced the cost of energy. So, this is an area that we should be looking at. I am also looking at the issue of capacity building that the Minister has addressed. We know that we have very many power cuts, and that does a lot of damage to the industries. It inconveniences housewives and so on. We would like to ask the Minister to ensure that, as he addresses the issue of capacity building, the delivery of electricity is rectified. Every week there is a power cut, and this is happening more these days than it used to happen before.

So, I always wonder why we have so many regular power cuts. Is it because of poor management of technology? This is an area that the Minister should look into very carefully; when you talk to the Kenya Association of Manufacturers (KAM) they will tell you that they suffer a lot when we have power cuts, because they deal with industries that either process food or produce perishable goods. So, the regular power cuts that occur cause a lot of damage. That is an area that I

request the Minister to address as he continues the good job that he is doing.

Mr. Temporary Deputy Speaker, Sir, the rural electrification programme that I have referred to, has been provided with Kshs11 billion. We would like to see it on the ground. We would like to see it in our constituencies. We made promises and also the Government promised to put up projects in our rural areas. We would like that to be effected.

I am thinking that when the President goes around and does indicate, on request of Members of Parliament, that we should have power installation or a transformer somewhere, that is taken seriously by the Ministry, because it is a directive by the Government and it should be implemented.

I will soon be visiting the Minister to indicate to him that in my constituency there are projects that the Government should be attending to.

With those few remarks, I beg to second.

*(Question proposed)*

**The Assistant Minister, Ministry of State for Defence** (Mr. Musila): Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to support this Motion. I want to applaud the Minister for Energy and his staff for the excellent work that they are doing in ensuring that electricity is supplied to the rural areas. If there is any Ministry that is diligently delivering services to the people of Kenya, it is the Ministry of Energy. I say this because during the last 45 years of Independence we have seen that the rural electrification programme had stalled, and it is only during the last five years that the Government took up the issue of electrification. When you go round every corner of this country, you can see that the Ministry of Energy is working. Congratulations, Mr. Minister!

Mr. Temporary Deputy Speaker, Sir, I am very concerned about the issue of alternative energy. We know that, and the Minister has repeatedly told this House the same, that the Government is doing everything possible to explore other sources of energy. He has mentioned wind as an alternative source of energy for this country. However, we have not seen much of what the Ministry of Energy is doing to utilise wind as a source of energy.

I gather that there could be projects of this nature in some parts of North Eastern and Eastern Provinces, but I think we have not done enough to explore this source. In countries like Japan and Europe they use wind energy quite a lot. I know that we have abundant wind in this country, and see no reason why the Ministry of Energy cannot put as much effort as it is putting in rural electrification programmes to ensure that we get cheap energy from wind.

Mr. Temporary Deputy Speaker, Sir, also on the same note, I do not think the Ministry is doing enough to use solar energy. I say this because this country has plenty of sun and perhaps it is God-given. We should not be spending so much money looking for expensive sources of energy when we have a free source namely, solar energy. I want to say that the Ministry of Energy has not done enough to provide Kenyans with solar energy.

Having said this, you know it is the policy of the Kenya Government and, indeed, the Ministry of Energy has said this many times, to supply energy to all secondary schools. However, most of them, particularly in Eastern, North Eastern, Rift Valley and parts of Coast provinces are very far from the national grid and, therefore, it will be very expensive to take a line to a secondary school which is perhaps 200 kilometres from the national grid. Therefore, it will make a lot of sense if we would have independent energy supplies based on solar to individual secondary schools.

Mr. Temporary Deputy Speaker, Sir, I know that the Ministry of Energy has identified certain schools to benefit from this project and I want to ask him to especially consider Mwingi

District secondary schools because a lot of them are very far from the national grid and, therefore, will take many years before they get power. He should supply them with solar energy so that we can catch up. You know that most of these schools have never even made use of computers and if we are to wait until we get the normal energy, I think it is going to take many years. So, I urge the Minister for Energy to give special preference to schools which are in remote areas and supply them with solar energy. Every year, he should, at least, supply five schools in every district and very soon we will be able to cover the entire country.

During the time that the Minister was moving this Vote, he talked about coal exploration in Mwingi and Kitui districts and he said that they have drilled many holes and to quote him, he said: "Good quality coal has been identified". For many years, the Ministry of Energy has been exploring coal in Mui Basin of Mwingi District and I am sorry to say that every year we have allocated money for the exercise of exploring coal in Mwingi District and up to now we have not seen much. They just keep on drilling endlessly.

Mr. Temporary Deputy Speaker, Sir, considering the cost of energy today, it is time the Ministry of Energy moved very fast and perhaps identified a private investor to explore coal in Mwingi District. Our people are longing for the day the Ministry is going to show us an investor who is ready to mine the coal so that we can benefit from this resource because it is there in plenty. They have already told us so and yet people are languishing in poverty. Kenya needs resources to generate power and for other uses like cement manufacturing *et cetera*. I do not know how many years it is going to take before the Ministry of Energy comes up with a way of exploring this coal.

So, I am going to ask the Minister to especially consider accelerating this process because it has taken so long. There are machines drilling every year. Every financial year we are allocating money but we do not see the end of it. I think it is high time the Minister became more serious and mined this coal and saved this country from the high cost of energy that we are experiencing at the moment.

Mr. Temporary Deputy Speaker, Sir, in conclusion, I want to say what I said last year that I have not been able to understand why we have not been able to find oil in Kenya. Uganda has oil. To the north, Ethiopia has oil. To the south, Tanzania has struck some gas and they are likely to find oil soon. How come that Kenya can be so unlucky that it can be surrounded by countries with oil and we do not have oil? I want to submit to the Minister for Energy today that we have oil and that he should move fast and make sure that this country gets oil so that we can improve our economy which can never be improved so long as we depend on imported oil.

With those remarks, I beg to support.

**The Prime Minister** (Mr. Raila): Thank you, Mr. Temporary Deputy Speaker, Sir. I want to support this Motion very strongly because I believe that energy is a very important component of our economy. Energy is like the nerve system of the body. Without energy, the economy cannot move and that is the reason why I feel that this Motion deserves to be supported strongly by Members of the House.

Mr. Temporary Deputy Speaker, Sir, currently, this country has an installed capacity of 1,200 megawatts. That is peanuts. It is equivalent to the consumption of one city in the industrial north. That is all that this country generates up to now. When we are talking about Vision 2030, we need to increase our generation capacity tenfold. That is the challenge that we have. Out of what we generate, nearly over 70 per cent is hydro-based and the rest being thermal, geothermal and so on. However, you know that first the hydro potential is not inexhaustible. We have now almost exhausted our hydro potential. I think there is little left in the Tana, Athi and in the lake regions.

However, the hydro potential is also dependent on the environment and that is the reason why we have a serious problem with our major catchment areas. This country has got five water towers namely, Mt. Kenya, Aberdares, Mt. Elgon, Cherangany and the Mau. Out of the five water

towers, Mau is the biggest and yet we know what is happening there at the moment is a disaster. It is a serious disaster! It is serious because we all know that if we leave the situation as it is at the moment, within the next 15 years, there will be no water! All those rivers are going to dry up. That is a fact that is known to everybody and yet, nothing is being done to address that situation! People are still moving into the forests; people are still destroying the forests and we keep on hearing: "Oh! This is a matter that needs to be discussed! These things should not be done in a hurry! We need to first resettle!" Yes, we know that some people need to be resettled. But we should not be claiming that as a right! We know how all those things happened! We know the mistakes that were made by the previous Governments!

Mr. Temporary Deputy Speaker, Sir, we should not be holding on to those mistakes permanently! That is why there is need for us to move with speed to find a way of resettling and fencing the entire Mau Complex, so that it can be preserved for posterity!

*(Applause)*

Mr. Temporary Deputy Speaker, Sir, Kenya is lucky because in terms of geothermal potential, it is only second to New Zealand in the world. We have over 4,000 megawatts in terms of geothermal potential, which has not been properly exploited. We need to exploit that resource. I see that the amount of money that has been made available to the Ministry is inadequate for the task. But, here, we can partner with other private sector investors. That is an area where we can apply the Public-Private Partnerships (PPPs).

Mr. Temporary Deputy Speaker, Sir, I have been saying that we must think outside the box. We must not only look at the traditional systems of generating power; diesel, fuel oil, hydropower generation, geothermal and so on! Let us also look at the possibility of using nuclear power! When you mention the word "nuclear", people shiver! But as an engineer, I do not fear nuclear energy. Peaceful use of nuclear energy is being done all over the world. Right now, they are developing the new generation of nuclear reactors in Britain, Germany, USA and Japan. Why not in Kenya? We can! I suggest to the Minister here that he should seriously consider a mini-nuclear power plant which will generate between 500 to 1,000 megawatts, which will be quite adequate for this country.

Mr. Temporary Deputy Speaker, Sir, if I look at fossil fuels, we have coal in Kitui that we need to exploit. We also need to step up our exploration and search for hydrocarbons. I do not believe that nature could be so unkind to Kenya! We have crude oil in Uganda, Sudan, now in Tanzania and we have Kenya remaining here as an island! I believe very strongly that this country does have quantities of crude oil!

Mr. Temporary Deputy Speaker, Sir, we also need to develop capacity to regulate fuel prices in this country. The solution lies in strengthening the National Oil Corporation of Kenya (NOCK). We should give NOCK the muscle with which it can act to regulate the fuel prices! That is the reason why it was formed in the first place; so that it could be able to import crude oil cheaply! But that has not been the case. Let it be responsible for bringing in and storing the strategic fuel reserves in this country! Let the Government buy directly from NOCK. Then, we will find a way of making fuel more affordable to the people. So, empower NOCK!

Mr. Temporary Deputy Speaker, Sir, we need to expand the rural electrification network - roll it out! Africa is one of the darkest continents - not just dark in terms of civilisation, but dark by night! Africa is very dark by night and that is the time when most of the evil things are done! We need to light up this country.

I am happy with the programmes that the Ministry has for rural electrification. Let us take electricity to the remotest parts of this country! Rural electrification is an infrastructure like roads.

It is not commercially viable, but we must make a decision as a Government to take electricity to rural areas! It is one way of fighting poverty. When you take electricity to the rural villages, it triggers off certain economic activities; *Jua Kali* workshops spring up there; a lot of other small scale industries spring up there and provide employment! Wealth is created and people can manufacture certain things that they can take to the market. That is the reason why I fully support the Rural Electrification Programme in our country! Let us make it affordable.

Let us also use some money, for example, from the Constituencies Development Fund (CDF) to make it possible. The Government should bring power lines, but let hon. Members use money to buy transformers to bring electricity to the villages, particularly to the market centres in the country.

Mr. Temporary Deputy Speaker, Sir, the Ministry of Energy should look ahead 50 years from now. What country do we want to have 50 years from now? Now, we have the Vision 2030, but then in 50 years, what do we want? We want a highly industrialized society and a well organized country. The time to lay the foundation is now! This is the time when we must lay the foundation for a more industrialized Kenya! This is something that we owe to the future generations of our people! Let us take electricity to the schools, so that we can introduce computer literacy in our schools.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support.

*(Applause)*

**The Assistant Minister for Medical Services** (Mr. Mungatana): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to voice my opinion and my contribution to this Motion.

Mr. Temporary Deputy Speaker, Sir, first of all, I start by congratulating the Minister. I agree with the previous speakers that he has done a fantastic job as far as the work of providing electricity in the country is concerned, and he has been consistent. We congratulate hon. Murungi!

But today, Mr. Temporary Deputy Speaker, Sir, speaking on behalf of the people of Garsen and Tana Delta, if it was during the Bible times, they would be saying: "Oh, Kiraitu! Oh, Kiraitu! Why have you forsaken us?" The reason I am saying that is because a new district has been set up in the Tana Delta. It is in the Government records, but there is no provision for it in the Recurrent and Development expenditure! It is not only that district which is in my constituency, but there are many others which are in the same situation! These Estimates need to be looked at afresh again! We need Government services because we pay taxes.

It is very sad to sit here, debate and pass Motions like this and then our districts are not provided for! I have just been sitting here with the Minister of State for Development of Northern Kenya and other Arid Lands and he is telling me that his district is also not there! We request that they re-work it out. If the average is Kshs23 million, they can surely find that from the Ministry.

Mr. Temporary Deputy Speaker, Sir, the second point that I want to make is about price controls. I agree with the previous speakers who have made their contributions here, that the Government needs to be an active participant in the market. The strategy that has been adopted of now expanding the National Oil Corporation of Kenya (NOCK) is a good improvement. But we would want to see the Government being an active participant in the market. It is the only way, as the Minister said when he was moving the Vote of his Ministry, we will be able to control the prices of fuel. There are countries like Venezuela with informed and pro-poor leadership like President Hugo Chavez; people who can speak to us and they have a lot of fuel that they can sell to us cheaply. In fact, we would want to see him visiting those countries and give us comfort. When the Minister stands here and says he has been shy in price controls and what not, it is not enough

for us. We expect Executive action on this matter. It will give us much comfort when we hear that the Minister is going to the Middle East to talk to those people who have fuel. He is going to Venezuela to talk to those people. Then, we can have certainty that this strategy of empowering the NOCK is going to work. At this rate, we are going to have a problem. We are going to have a problem and the Minister must be in the forefront to give us comfort as Kenyans because we do not want the run-away situation that we are in right now.

Thirdly, Mr. Temporary Deputy Speaker, Sir, in his speech, the Minister proposed to allocate Kshs6.9 billion for KenGen to cover the cost of temperental generation capacity of 146 megawatts, including the Exercise Tax levies imposed on diesel, for power generation. KenGen is a very interesting Company. Sometimes, it is almost private. Sometimes it is almost Government. I am mentioning KenGen because it is one of these companies that generate a lot of power to this country and one of the profitable companies that generate a lot of power to the national power grid. But its power source is hydro. It depends on hydro electricity.

Mr. Temporary Deputy Speaker, Sir, this is where our problem is as the people who stay downstream on the delta in Garsen and in the Tana Delta. Every time there is heavy rain and water is full in the dams upstream, when this company releases its water downstream the amount of damage that we suffer downstream is unimaginable. We have not seen any form of mitigation measures that are taken by this company to cover the losses of the people downstream at the Tana Delta.

Mr. Temporary Deputy Speaker, Sir, if they are going to put our money; Kshs6.9 billion into this company, the Minister should make some provisions for the people who are contributing to that tax down at the Tana Delta. We have suffered for a very long time. We do not want to continue to keep quiet. We have taken this company to court and they have not helped us in anything. There are no schools or hospitals which have been built there by this company. They have not even compensated our people for the losses they have incurred as a result of the water coming downstream.

If we are allocating Kshs6.9 billion, surely, the Minister must have power to nominate a director who emanates from down the Delta so that when they are taking some of these decisions, they can be reflective of the sufferings our people are experiencing. We must have a say in what happens downstream. There has got to be people who can speak for the people downstream in terms of their corporate social responsibility.

Mr. Temporary Deputy Speaker, Sir, let me turn to the issue of alternative energy. I want to agree with the previous speakers that this sector has not been properly exploited. When you look at it, there is so much wind but there is no investment which has been put downstream and in some areas in northern Kenya. We would request the hon. Minister to make sure that these areas are fully exploited, especially in the Tana Delta. We have a lot of wind. We are next to the sea and so much wind moves there but it is waste. We want the Minister to consider allocating some money in terms of investment on the Delta side.

Mr. Temporary Deputy Speaker, Sir, there is Kshs4.5 billion that is proposed to be invested in the geothermal power. I support this. I watched with amazement the other day, when they were saying that a few years ago, when Kenya started to explore geothermal power, we were at the same level as Malaysia. Malaysia is able to pump in so much megawatts into their national grid using the geothermal power. Kenya has remained stagnant. It is very comforting to hear that the Minister is planning to put Kshs4.5 billion on this development so that we can move forward on this matter. We would request that actual work happens on the ground. This is because sometimes, we have suffered this thing of passing money here and then we are given stories the following year and no work is done. We hope that the Minister will report to us that something good is happening. Why am I raising this matter in terms of expenditure of the funds that we pass here in Parliament? This

House is being requested to approve Kshs11.5 billion for the Rural Electrification Programme. When you look at the breakdown of those headings, I was shocked to see that Kshs4.8 billion of that amount for Rural Electrification is going to cover cost overruns of projects implemented by the Kenya Power and Lighting Company (KPLC). Last year, they brought us a proposal of how this money was going to be spent. One year later, we are being asked to approve Kshs4.8 billion for cost overruns. This is very sad. It will not escape the attention of Parliament and the censure of this Parliament that something is wrong. How can things be so wrong? In fact, we are being asked to approve Kshs11.5 billion for the Rural Electrification Programme when almost half of that amount is going to pay for projects which are not there. They are not going to be part of this year.

Mr. Temporary Deputy Speaker, Sir, we ask the Minister to come out very strongly through the Electricity Regulatory Authority to make sure that these mistakes of cost overruns are not repeated. It is actually a fraud on the people of Kenya when we are given these figures and then we are asked for half that amount.

My time is over, but I beg to support with those concerns.

Thank you.

**Mr. Shakeel:** Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support the Motion. The Minister and the Ministry have done a great job in the last few years.

However, like my fellow hon. Members who have spoken before me have said, there are a number of issues that still need attention. The first one is the issue of petroleum. I do understand and agree that we are in a free market economy. But there are times - and times are here - that a little more restraint needs to be put in. Gone are the times when we are going to ask the petroleum companies to regulate prices themselves. They have shown very clearly that they have no intention of doing so, and they will not do so. Time has come for us to restrict the way they increase their prices. If that means price restriction, let us do so. I do understand that the Government is now embracing the free market economy, but that does not mean that it should be at the cost of the poor wananchi. The wananchi are paying horrendous amounts for paraffin, diesel and other power sources and yet, we are sitting back and saying: "No, let the free market deal with it. Let us have regulation through the National Oil Corporation of Kenya (NOCK)." NOCK has actually fallen and failed us. Let us do it in another way. There is no other way other than the way we have seen--- His Excellency the President of Venezuela has shown it to us. Let us put our foot down. The President of Venezuela has taken steps and Venezuela, as a country, is benefiting. If they do not bring us oil, we will do something else.

Why can we not also reduce taxes on oil? I have lived in Europe. Many of us have lived in Europe. Diesel for agriculture is green. The colour is not green but pink. It has a very low rate of taxation and the price is cheaper. Paraffin is cheaper in Britain than in this country. It is really a shame!

I would like to talk about the issue of electrification. I am a Member of Parliament for Kisumu Town East. Contrary to the fact that we call it Kisumu Town East, it is mostly rural and part of it is in a slum area. I am sorry that Tana River is not covered, like my friend hon. Mungatana has said. But Kisumu has got just Kshs8.2 million. I was there over the weekend. There are high tension electric wires running above, but there is no power. When we go to ask to be connected, we are told: "No, we cannot do it. It will cost so much money." I am prepared - and I have budgeted in the Constituencies Development Fund (CDF) - to pay for transformers. I was told that they cost Kshs150,000. We will pay for them. But when we go and talk to the Kenya Power and Lighting Company (KPLC), we get horrendous bills. They require Kshs3.5 million to connect power to Rugumo Health Centre and yet, the power lines just pass by. It appears that electricity is going to be for the rich and many of us who are poor, are going to be in darkness again.

Mr. Temporary Deputy Speaker, Sir, in Kisumu, like anywhere else, power bills are going

up by 200 per cent and yet, we were told that it will go up by 30 per cent. Those people who were having bills of Kshs6,000 are now paying Kshs12,000, while some of them are paying even more. Many of us are now going round switching off power when we do not need it. That is very good. But the way things are going here, petrol, paraffin, diesel and electricity are now all for the rich!

As much as we are putting in Kshs30 billion, it is now time that we had some energy programmes for the poor. Many of us have travelled. I have been to Johannesburg and Alexandria Town. They give the poor a certain amount of electricity literally free. They charge a very low fee for up to a certain amount of unit voltage. We do not do that here.

It appears that KenGen makes a lot of money. Likewise, KPLC is now making a lot of money. We have expatriates coming in and earning high salaries and driving good vehicles. Everything else is going on.

Mr. Minister, I do feel for you because you have taken over a monster that you have to control. I do not want to sound ungrateful at all, but electricity in this country is going to be for the rich, unless something is done drastically now.

With those few remarks, I beg to support.

**Mr. Thuo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support this Motion.

May I start by commending the Minister, his Permanent Secretary and others involved, for such a comprehensive budget proposal. I am gratified to note that 90 per cent or above of the proposed budget is actually going to Development Expenditure, rather than Recurrent Expenditure.

Mr. Temporary Deputy Speaker, Sir, I want to make a few comments on the budget. I would like to start by making my comments on the issue of the cost of electricity. There is the real fear that the rising costs will actually slow down or even negate the gains that we have had. Indeed, it may be a threat to our Vision 2030. Earlier in the House, the Minister for Industrialization alluded to the fact that the cost of production is quite high in Kenya compared to some other countries, and one of the factors was electricity.

Having said that, I am happy to see that we are attempting to increase the number of those who are benefitting from power by over 1,000,000,000 and, indeed, increasing or investing in the generating capacity. One would hope that with the fixed cost being spread over so many homes - industries and other consumers - the real cost per person will actually start coming down.

I would also encourage KPLC to consider what we have seen being done elsewhere, which is to have prepaid metres and cards. If they do so, I believe that, one, it may stop the loss of power through theft and, particularly important, it will also increase the number of people who can consume power for whatever duration of time that they are able to afford, very much in line with the fact that we have even cooking oil in very small units or tea leaves in very small packages to allow even the lowest and poorest of society to consume those particular products.

Mr. Temporary Deputy Speaker, Sir, I also wish to comment on the issue of the cost of diesel. I appreciate the comments that it is not possible always to regulate prices. However, it is a bit annoying that whenever you watch Cable News Network (CNN), when international crude oil prices go up by US\$2, you see it on your pump prices the following day and yet, we have had a sustained drop in the last two weeks, in excess of US\$20 to the barrel and we have seen no change in pump prices. Now, I understand, as a business person, what they are doing. I understand the profit making. However, I think NOCK ought to lead the way, particularly now that we are investing vast sums of money in it. They ought to lead by creating a larger differential than we are seeing at the pump stations. The differential of Kshs2 per litre, at the time when a litre of fuel - both diesel and petrol - are in excess of Kshs100 - cannot justify an investment running into tens of billions. So, we need to look at that.

Mr. Temporary Deputy Speaker, Sir, I was very pleased to hear the speech that the Minister



made while on a trip abroad. I wish to challenge him in terms of the opportunities that exist in Kenya. He should consider that there are some areas they can invest in, as a Government, to create business opportunities for people in Kenya. For instance, he talked of transformer manufacturing. Our consumption of transformers is such that we probably have a real chance of creating the capacity or a factory for transformers and their components given their plans over the next five years to switch on one million customers. The number of transformers required in addition to the continuing theft, destruction and normal wear and tear are many. My advice is, while it would be very easy to go there and ask a foreign investor to come and invest, why not do what the Government role is? This is to put in the heavy investment, partner with locals, create technological transfer, create managerial capacity and then go the IPO route which we have done so successfully with some companies. Therein lies the challenge. It is not always a question of getting foreigners to come and invest because we never get our people the benefits. The same case goes with geo-thermal and the coal plants that have been spoken about.

Mr. Temporary Deputy Speaker, Sir, I am also very excited by the prospects of small hydro-plants, for instance, in the tea producing areas. We know that they are in highland areas. The rivers in the neighbourhoods are in very youthful stages with deep valleys, rapid movement and therefore, have the capacity to generate small amounts that the factories and neighbourhoods require. This would be very useful to the neighbourhood. It would cut on the cost of production of tea but equally important, the local farmers would get a direct benefit from being associated with the crop because they will be able to light up their areas.

Unfortunately, we were asleep when the rest of the world introduced a lot of technology including the diesel engine, internal combustion engine and others. Today, we sit here with the country astride the equator but we are not investors in solar technology. Indeed, we are consumers of the technology from the temperate world. This is a scandal! I would wish that we, as Parliamentarians, consider increasing the budget available to the Ministry of Energy to partner with business people so that we invest in solar technology, not only for purposes of lighting up our country and helping our people with electricity needs but also for becoming people who can sell technology to the First World. That would be my challenge on the issue of solar energy.

Mr. Temporary Deputy Speaker, Sir, I am also happy that the Minister mentioned wind generated power. I am glad that there is some allocation for the studies into the amounts of wind available in various areas, to allow us get to cleaner sources of energy which are renewable. I am also excited by both the Minister and the Rt. Hon. Prime Minister for referring to nuclear power. I am one of those who are not particularly bothered by it, for peaceful purposes, I should add, because I do not want to be misunderstood.

We will not get out of this era, poverty or current problems if we do not consider generation of power and energy as vital to our success as a country. We do not even have to wait for the estimates as to where we are going. We need to create productive capacity that is way ahead of our requirements. After all, the human race did not get out of the stone age because they ran out of stones. They just decided to leave the stones behind. So, we ought to consider going slightly ahead of the estimates we are getting to ensure that we do not have the embarrassment that is now facing South Africa, a country we consider to be on the front line of development in Africa. It is now struggling to satisfy its own internal needs yet a short five years ago, the electricity generation company, ESCOM, was telling the whole of Africa that they can supply all of us with electricity. Now they are incapable of supplying their own country. I wish to challenge those involved in the sector to continue to lead the demand rather than wait for it.

Mr. Temporary Deputy Speaker, Sir, I also want to mention the issue of bio-fuels briefly. We know that they are being used as alternatives. We know that ethanol has been very successful in Brazil. We know that Brazil is leading when it comes to green diesel. Kenya should attempt the

same. We ought not be left behind. As I said earlier, we do not want to be by-passed by technology all the time. We want to be in the thick of it. We want to be part of the alternatives because our people need an alternative route out of their misery and problems.

Today we have been told and I agree with the hon. Member for Kisumu Town East, but we even have issues with paraffin. Paraffin at Kshs80 or Kshs90 a litre to a person who can hardly afford food is serious trouble. I am probably one of the few Members who is not excited about the prospects of oil. That is because if I look at Nigeria, despite having a lot of oil, I have not seen them benefit. In fact, they have queues for fuel.

With those very few remarks, I beg to support.

**The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government** (Mr. Githae): Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to support the Vote for the Ministry of Energy.

Mr. Temporary Deputy Speaker, Sir, let me start by congratulating and commending the Minister for his vision of supplying every home in the Republic of Kenya with electricity. I would also wish to congratulate the corporations under him; KenGen under the leadership of Mr. Njoroge, Rural Electrification under the leadership of Mr. Ayieko and the Kenya Power and Lighting Company under the leadership of Mr. Njoroge, not forgetting the Permanent Secretary Mr. Nyoike for coordinating all these activities. I think these are some of the few parastatals in this country that mean well and are determined to bring power to the whole country.

As I say this, I must also tell them that there is a problem that has come up as a result of privatisation of electrical works. This is the theft of transformers. I think it is not enough to start blaming the so-called scrap metal dealers. We are now seeing situations where a whole transformer is stolen. I suspect this is being done by the contractors you have given these jobs. These thieves have no respect even for Members of Parliament. My transformer was stolen! A whole transformer, which was next to my farm was stolen! That could not have been a scrap metal dealer. It must have been somebody who was given a contract and was going to use the transformer. I would recommend to the KPLC or Rural Electrification Authority that when giving out the transformers, please, get their serial numbers. Let every contractor paint his transformer in a different colour so that this theft does not go on.

Mr. Temporary Deputy Speaker, Sir, initially, I thought it was political sabotage in my constituency when everyday we were losing transformers. I only realised later that it was theft. The same case applies to wires. Tell the manufactures to paint or coat the wires in different colours. They could also have a serial number or something you can use to trace them, the way it is done for petrol. If you do not do that, whatever work you are doing will go down the drain. So, we need to take that head on and come up with a solution. We need to know what the problem is. When people start vandalising public property, then we are in serious trouble.

Many speakers have spoken about lack of oil in Kenya. I do not believe that God hates this country so much that he can give oil to our neighbours, Uganda, Sudan and Tanzania where there is gas and yet we have a lot of churches that pray for people to get wealth. Why can we not give this function to the bishops so that they can pray for this country in order for us to get oil? If they can pray for somebody who is on crutches to walk and run, I believe they can also pray so that we get oil. Let us set aside one day for prayers so that we can get oil. I think this will sort out some of our problems.

Even as we commend KenGen for the work they are doing, I think they also need to co-ordinate their activities. I was shocked the other day to hear that the power generating stations that KenGen says belong to them are really not theirs. They never paid for them. That shocked some of us who are shareholders of KenGen. If really these power stations are not theirs, then our shares are worthless! They need to co-ordinate this. I would like to call upon the management of KenGen to

reassure the shareholders that they actually own those power stations. If that is not the case, then they misled us. So, they need to assure us that they own those power stations.

Mr. Temporary Deputy Speaker, Sir, we must also think outside the box. The sugar companies make power from bagasse, that is, sugar-cane waste and molasses. In my constituency, we have rice. Why can KenGen not think of using rice husks to produce electricity? With regard to biogas, we claim that 80 per cent of Nairobian live in slums. Why can we not make use of the waste that comes out of these slum areas to produce electricity? Let us produce electricity from the biogas that is produced there. We need to start thinking outside the box.

I also support nuclear power. We should go nuclear and even come up with nuclear power stations. What is wrong with producing the first African nuclear bomb in this country? We must think big so that we can even create a department at the University of Nairobi to deal with that issue. So far, we only have one nuclear scientist, Mr. Ngw'eno. He could not get a job and, therefore, he started publishing a magazine called "Weekly Review". He could not get a job and yet he was one of the first African nuclear scientists. There is nothing wrong in having a nuclear power station or even the first nuclear bomb in this country. There is nothing wrong! In fact, it will give our students an opportunity to learn something.

Mr. Temporary Deputy Speaker, Sir, with regard to the pipeline, we should be thinking of one from Uganda to Kenya and another one from Tanzania to Kenya so that we can benefit from the resources that they have, that is, oil and gas. As I said, we must think outside the box. I would like to urge KenGen to assist tea factories. One of the reasons why farmers want to uproot their tea crop is because the biggest cost they incur is power. In most of those tea factories, there are small water falls. So, perhaps, KenGen could come up with a system of having many small hydro-powered systems specifically for the tea factories so that farmers can reduce their cost of power. That way, they will not think of uprooting the tea crop.

Kenyans have planted a lot of trees to sell as posts to Kenya Power and Lighting Company (KPLC). However, there does not appear to be a formal system of how these farmers are going to benefit. When tenders for posts are advertised, there is no provision for giving priority to farmers who have planted the blue gum Trees. I would, therefore, like to request KPLC, now that the trees are maturing, to come up with some kind of a programme where they would buy these trees from farmers and then treat them the way they normally do. Farmers who plant these trees need to benefit. The trees are almost mature, but there is no programme on how those trees are going to be sold. Farmers have spent a lot of money planting these trees and they need assistance. I am glad that all the Chief Executives are here. I am sure they are listening. They need to come up with a programme on how we can help our farmers so that they can benefit from these trees.

Mr. Temporary Deputy Speaker, Sir, there must also be a programme to protect our environment. If we destroy our forests, dams will lack water and we will revert to the situation we were in a few years ago. So, it is important for both KenGen and KPLC to come up with a programme of protecting our forests and water towers so that we do not destroy our environment and in the process miss water.

Lastly, I would like to ask the Minister to come up with a new corporation. I would call it "Street Lights Corporation" and it would be in charge of installing street lights on every road and highway. Once we do that, security in the country will improve. If we could have street lights along our highways and not necessarily along our streets, this will improve our security and we will benefit.

Mr. Temporary Deputy Speaker, Sir, with those few words, I beg to support.

**Mr. Chachu:** Mr. Temporary Deputy Speaker, Sir, my name is Chachu and I am the Member of Parliament for North Horr.

I stand to support this Motion. It is very encouraging to see that the Government is

investing in substantial ways in the energy sector. Energy is really an engine for development. If this country is serious about realising Vision 2030, industrializing, creating jobs and alleviating poverty in this nation, then, for sure, it must invest in energy. I appreciate the Ministry's policy of investing in renewable sources of energy, that is, what is called "soft energy" amongst the environmentalists. It is encouraging to see that about Kshs4 billion will be invested in geothermal production. Over Kshs380 million will be invested in wood fuel resources and a similar amount will be invested in wind and solar energies.

Mr. Temporary Deputy Speaker, Sir, this is one Ministry that you can feel in the arid areas or the remote parts of Kenya. In the last four years, most schools, health centres, hospitals and dispensaries have solar power. Schools are now able to convert the solar power into electricity. So, they can watch news on television channels such as KTN, KBC and so on. That was not possible before in the remote areas of this country due to lack of power. With satellite dishes, they are now more informed. Our students are able to go to school anytime, be it in the morning or evening, to study. It is the same thing for hospitals.

Mr. Temporary Deputy Speaker, Sir, two months ago when I was in my constituency, which is part of the arid constituencies in Kenya, getting from one corner to the other was not that easy. For the whole six weeks I was there, I saw a vehicle, a Land Cruiser, going from school to another, from one dispensary to another and from one secondary school to another, installing solar panels for solar power. I saw it and I was glad that our Government, for the first time, is really investing and is serious about rural electrification. I really want to appreciate this!

As Back-benchers, we are very good at criticising the Government, but I think we also have an obligation to appreciate the State when it does well for our nation. I really want to thank the Ministry of Energy for the good work. I can stand here and strongly say that the Kshs11 billion they are investing in rural electrification is a reality that we are seeing in the rural Kenya.

I also want to appreciate the fact that the Ministry is going to invest again this year about Kshs300 million in ASAL institutions, which, I hope, will be schools, health centres and other public assets.

I urge the Ministry to continue investing in renewable sources of energy, soft energies. Our country is blessed with wind, solar and, hopefully, with oil; if they are able to find oil in Sudan and Uganda - I am told there is a likelihood they will find it in Tanzania, and I know they are seriously exploring for oil in Southern Ethiopia - hopefully also in Kenya, we will find oil.

I do not support certain sources of energy, especially nuclear energy. If we have other potentials, and we are able to meet our energy needs through soft and renewable energy that is ecologically and environmentally friendly, I do not see any reason as to why we should plunder and destroy our environment for the purpose of progress and development. The industrialised countries of the north have gone through this before, and we can learn from their mistakes. We really do not have to copy them and the mistakes they have made. The reason as to why this country should reconsider the use of these sources of energy, particularly new energy, is because they have not been that good for mother Earth. We should really critically think and harness other sources of energy that we have in our country. We do not have to go for nuclear power.

Mr. Temporary Deputy Speaker, Sir, I encourage the Ministry to intensify the exploration for oil, gas as well as wind energy. In northern Kenya, there is so much potential for this. In North Horr, my own constituency, the private sector has data loggers and wind masts, but I am told that they are faulty even though they have been there for two years. They have not even achieved the purpose for which they were established. I hope the Ministry, in collaboration with the private sector, will look into this source of energy, especially in areas such as Marsabit and Bubisa in North Horr, because we are told that there is potential. If the Ministry can collaborate with the private sector, this might be a reality.

As the Ministry continues and intensifies its exploration for oil and wind in northern Kenya, I want to bring to the attention of the Ministry that the greater part of northern Kenya is inhabited by pastoralists and the land is communally owned. Communal ownership of land means that, that land is owned collectively by the whole community. If the Ministry, or the private sector, is going to set up wind farms, establish oil fields as well as centres for generation of power using solar energy, it means that the collectively-owned land will have to be given up by these communities. If that is the case then, I want the Ministry to critically think about the necessary policies and legislation that have to be put in place, so that our communities will benefit in tangible ways from this investment. We are not standing in the way, or in any way obstructing the Ministry from pursuing this interest. We need energy and they should pursue all these sources of energy. But if we are going to lose our land for production of these forms of energy---If wind farms have to be established or if land has to be lost to oil fields, then, for sure, we must look for tangible ways in which we are going to compensate the pastoralists for the land that they are going to lose. I am just urging the Ministry to be proactive in its policies and legislation, so that our communities will not be marginalised further by siting of resources within their environment.

Finally, Mr. Temporary Deputy Speaker, Sir, I would like this Ministry to consider rural women in Kenya, who are dependent on firewood for energy. These days most pastoralists are settling down. As a result, a woman may have to walk a whole day just to get a backload of firewood. Of late, they are even using donkeys and camels to get firewood, because the distance to the firewood collection points is getting further and further.

I would urge the Ministry to think critically and strategically about the need for fuel in northern Kenya, where the communities are largely dependent on firewood for energy. Biofuel may be one solution and energy saving *jikos* might be another. I am sure that through good research and practices employed elsewhere in the world in arid areas where firewood, as a source of energy, is shrinking we can learn a lot and come up with innovative ways to address this particular problem faced by rural women in Kenya.

To wind up, I am disappointed that the new districts, including my own, Chalbi District, and I am sure many others, have not been factored into this Budget. If you look at the Expenditure Estimates, only the old districts have been considered in this Budget. I really hope that the Ministry will consider the new districts that were established by the Government during the last elections and even some time earlier. They should be considered under, hopefully, the revised Estimates, which will be prepared in the near future.

With those few remarks, I beg to support.

**Mr. Waititu:** Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion and commend the Minister and his staff for their excellent work in lighting up the country, and in particular the rural areas. Rural electrification has been a big success, only that in some areas like the slums, we have had a low supply of electricity, which has been the cause of most of the fires in such areas. Power in the slum areas is not enough and people there tend to supply themselves power using poor quality wires over long distances. That has been the cause of the poor connections, which result in fires in the slum areas.

Mr. Temporary Deputy Speaker, Sir, I come from Embakasi, where most of the areas are inhabited by poor people, who are not able to pay the connection fee in full. In fact, I had approached the Managing Director of Kenya Power and Lighting Company, so that people out there can be allowed to pay the connection fee in instalments through their monthly electricity bills. For some people, raising Kshs32,000 at once is a problem. In fact, the Managing Director had promised that a certain programme was coming up. I do not know what happened. Maybe, in future, we should have that kind of arrangement for the slum areas, so that people can connect electricity into their houses easily.

Recently, I saw some concrete posts, which I believe will be long-lasting than the wooden poles. In fact, production of concrete poles should be encouraged, so that the project can create more employment to our people. Also, this Ministry should have more training facilities, which should be cheaper. Nowadays, most of the welding machines are easily made by *Jua Kali* artisans. However, the artisans who make those machines are poorly trained. I believe that if the Ministry can offer some cheap training in polytechnics, certainly, it can create some awareness on electrical works.

Mr. Temporary Deputy Speaker, Sir, so far, the Ministry has done well, but some of us have big areas of slums. For instance, Mukuru kwa Njenga slum, in my constituency, has not had electricity for two months. That area has a population of about 500,000 people. People in that area cannot afford electricity because of the connection fee. Electricity is very essential to everybody, and especially to our schools. Those areas have secondary schools which need electricity.

Two weeks ago, one of the schools in that area went on strike, and there was no electricity. When fire started, people could not run away because of the darkness around that area. In fact, it was a big disaster. So, I appeal to the Ministry to consider supplying cheap electricity to slum areas.

With those few remarks, I beg to support the Motion.

**Mr. Chanzu:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to support this very important Vote. I just want to agree with the sentiments raised by previous speakers on this Vote.

First, I want to congratulate them for being transparent in what they are doing now. For instance, the booklet that they have published, indicating the amounts of money allocated to every district, is a very noble idea. That way, we can know in advance how much money has been allocated to each Ministry. However, they probably need to spend a bit of time to do more in future, so that they can get realistic figures to put in that booklet. This is the tradition that has been used by Treasury over the years in allocating money to the various sectors of the economy.

Mr. Temporary Deputy Speaker, Sir, if you look at the Printed Estimates, you will see that they have put something like Kshs5 million together for a particular purpose across the board, which appears to be guess work. I know that there is a starting point for everything. This is very encouraging. They have to do much more, so that they can come up with realistic figures, instead of coming up with figures which just cut across and look the same because since Independence, development in this country has not been uniform. There are some areas which have more electricity and others which do not have any electricity. For instance, in Vihiga District, where I come from, two constituencies have been given Kshs12 million. The neighbouring constituency, which is almost the same - which is now a district of its own - has been given slightly more.

I know that there was a time when there was rationalisation and retrenchment of staff in the Civil Service. I happened to be an Assistant Minister in that Ministry at that time. I was wondering why a Ministry like the Ministry of Energy, which requires more staff, should be asked to retrench. We would like this Ministry to have more members of staff than what they have today, so that they can do a lot of work on the ground for Kenyans.

The Minister talked about wood fuel. It is encouraging, but I do not see a lot of afforestation taking place in this country. We would like to put in more money in that area. There must be sufficient collaboration amongst the Ministries of Energy, Environment and Mineral Resources, and Forestry and Wildlife. Another thing we have experienced in the area around Vihiga, is power outages. I think this is happening because of a number of factors, including maintenance problems, lack of equipment, machinery and even transport for engineers to be able to move around very quickly to rectify whatever fault there may be.

Of course, the other problem is what has been addressed here; the amount of electric power that we are producing *viz-a-viz* the demand. In the western part of Kenya which constitutes

Nyanza, Western and part of Rift Valley provinces, there are many rivers. I do not know whether my friends here can consider looking into the possibility of undertaking some of the main hydro-electricity projects in that region in order to augment the supply of electricity to the national grid. There are rivers like Nzoia, Yala, Sondu and others in the Rift Valley, like the one which supplies the areas around Chabera.

As we all know, electricity is very important if we are to industrialise. That is the direction we are taking. Talking of Vision 2030, if we have electricity in all the rural areas, it will be easier for practitioners in the *Jua Kali* sector to prosper. We have given examples of the *Jua Kali* workshops we have within Shauri Moyo and Gikomba areas in Nairobi. If you go there, you will find a lot of activities going on. We would like that to be replicated in most parts of the country for purposes of creating employment, and for being able to get items that can be produced locally much more easily rather than thinking of buying things which are imported.

Another thing I would like to say is to further congratulate the Ministry, together with the parastatals which fall under the Ministry, because there was a time when only one or two persons decided on who was going to get electricity in this country. I am happy that today it cuts across the board. Everybody knows what is going on. That was the time when we had vested interests, but the way things are going on today, I do not think there is that interest. I commend the Minister and the Ministry staff.

Mr. Temporary Deputy Speaker, Sir, regarding the issue of the exploration of oil, we have talked about it at great length. I do not see why we cannot invest some money in looking for oil for ourselves, because we are within a region where almost every country around us has its own oil. In future, I would like the Ministry to consider putting more money into exploration of oil and other sources of energy. There is a tendency for us to go for easier options. That is the reason why we do not take enough time to go and look into what is called renewable energy.

Finally, a few years back we had drought and a problem with electricity, because there was a lot of power-rationing. The current Permanent Secretary was in charge of planning in the Ministry and he saw what happened. We would like a situation whereby the Ministry takes precautions. I know that the Prime Minister talked about it, but we would like to put in place some measures just in case something happens. We should not get into a situation where we become like beggars.

With those few remarks, I beg to support.

**Mr. Muthama:** Mr. Temporary Deputy Speaker, Sir, I rise to make a few comments on the Vote of the Ministry of Energy. First of all, I would like to take this opportunity to thank the Minister for the great effort he has made, especially in making sure that almost every district is allocated some funds. We are very much concerned about the issue of infrastructure, electricity being one of them. We have been having problems with electricity. It is my understanding that if the current drought goes beyond the expected end time, which is 15th October, 2008 and stretched up to mid November, 2008, we will definitely have problems with the generation of electricity. It has happened before and may happen again.

I do congratulate the Minister for his great efforts and for his willingness to make sure that we have sufficient electricity supply. At the same time, I want to caution the Ministry that they need to work round the clock. We need to move from an era of expecting anything to one where there is a guarantee of getting something. We have technicians and whatever else it takes. We have a country with resources. We have main rivers, where dams can be built, which can not only be used to supply electricity but can also be used to provide water to the most dry areas.

Mr. Temporary Deputy Speaker, Sir, I am saying this because Athi and Tana rivers pass through the whole of Eastern Province. They flow all the way to the Indian Ocean. The supply of electricity from Kindaruma and Kamburu is due to damming. More dams should be created. It will

be next to impossible to achieve this if we just celebrate the allocation of these funds. Once equipment is installed, then it can be possible to achieve this. We need these services. Currently, my constituency which draws power from Thika via Kindaruma and Kamburu experiences blackouts every two hours. We have never experienced continuous supply of electricity. One of the main issues the Minister is planning to undertake is the expansion and upgrading of energy sources. This is an issue that needs to be taken very seriously.

The Minister confessed today in his speech that 80 per cent of Kenyans are yet to receive electricity. This 80 per cent that lacks access to electricity is not because it is not available but because another 20 per cent cannot afford to pay the connection fees of the same. Poverty levels in this country stretch up to the point where the Minister has said that the local people are being forced to use cow dung to cook meals. They go ahead and also collect firewood and in the process the environment is destroyed.

Mr. Temporary Deputy Speaker, Sir, I kindly request the Minister to focus on building dams so that people who live in the surrounding areas can use that water for farming. They can grow vegetables and generate income and then be able to install electricity in their houses. Sometimes, those houses are not available. You cannot expect local wananchi with grass houses to install electricity in their houses. However, with the necessary support and good vision, that can be achieved.

For us to talk about electricity, we should also talk of paraffin which is a great commodity that is not affordable to the common mwananchi. It is next to impossible for them to afford that item. We know this Government has spent a lot of money in prospecting for oil. I have got some good experience in that area because I have looked at the statistics, analysis and some of the results which have taken place 15 to 20 years and a lot of money has been spent but I do not think that proper exploration in our energy sector has been done. We have oil in Southern Sudan which could be drawn to Kenya.

Mr. Temporary Deputy Speaker, Sir, Tanzania, which is on the other side of Kenya, has found a great potential of gas and oil. That is also happening in Uganda. In the small Somaliland, with the exception of the big Somalia, there is a talk going round that they have found oil.

Mr. Temporary Deputy Speaker, Sir, I think it is time that this country should stop taking things for granted when it comes to energy. There is no way energy can be taken for granted! It must be given all the seriousness that it deserves. The reason why I am saying that is because today, if we want to improve the teaching and studies of our students, our schools, public and learning institutions must have electricity. Forget about our houses and homes! It will be a waste of time if we lack electricity in our district hospitals, dispensaries and clinics. We will be offering half-baked services, which are not adequate to our people. So, when it comes to prospecting for oil, our money should be spent properly. I know that with seriousness, we will find oil in this country!

Mr. Temporary Deputy Speaker, Sir, there was a time when Kenya was referred in geological information not to contain precious metals. But today, Kenyans, me being one of them, have proved the world to have the wrong perception! We have precious metals within our country; they have been explored and tested, and they have turned out to be one of the best qualities in this world.

Mr. Temporary Deputy Speaker, Sir, it is only the other day when we talked about titanium in the Coast Province. We have fluorspar in Kerio Valley here with a huge potential. The Government has to consider some of those minerals when trading with some of the countries which could be using our minerals like fluorspar, titanium and other precious metals. The Government could consider trading those minerals for oil, so that we can be able to generate cheap electricity.

Today, even if we actually talk of drilling boreholes and giving them to common wananchi, they are just white elephants! That is because when you drill a borehole in a village where, when a



thousand people are put together, their income does not amount to Kshs20,000--- For them to pump that water from that borehole using electricity, they will need Kshs40,000! So, you will---

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Mr. Muthama! Your time is up!

**Mr. Muthama:** Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support.

**Mr. Kioni:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. I will make very few remarks on this Vote. We are now able to talk about the Ministry of Energy because I believe it is one of the Ministries that have been very distant from the minds of enyans until, perhaps, the introduction of the Rural Electrification Programme.

But, Mr. Temporary Deputy Speaker, Sir, even as I support this Motion, I note that in line with all other Ministries, the allocation of funds within this Ministry has also been done on the basis of the districts. Perhaps, there may be no other better ways of doing these things. Certainly, this by itself marks yet another example of unfair distribution of resources on the basic point that these districts are being created. They have been created, perhaps, from unknown criteria that may not be quite clear to many of us. But we have areas in this country that are certainly being discriminated against when these districts are being used as the basis of allocation or distribution of resources.

We have areas in this country that have a high population, but they would not be able to benefit using that criteria because they have not been split into small districts. Those areas that may have agitated had enough and have been cut into small districts. It means that there would be more resources that will be going to a given region as opposed to others. In essence, we have continued to institutionalise these unfair distribution of resources and certainly that is going to be discriminative in one way or another. This will manifest itself in the very near future.

Having said that, I must also commend the Ministry because in the couple of years the process of connecting people has been demystified. There before, many Kenyans did not know what they needed to do to get connected with electricity. Now, there is publicity that is going about the provision of power within the rural areas and other areas and this has demystified this process. I still think that a little bit more needs to be done. For example, I came across a group of people in my constituency, Ndaragwa, who paid Kshs1 million to the company way back in 1996 so that they could be connected with electricity. Up to now, they do not know what they need to do next. While things seem to be opening up, that is a clear case of people who need to be informed as to what they should do so that they can be connected with electricity.

It is important for us to commend the Ministry because of the Rural Electrification Programme that has made it possible for many to start having hope that power will get to them sometimes in the near future. It is also important to note that, one of the things that is required is the public facilities. We need water. We do not need to talk a lot to link water with forests. I think that is something that is in the minds of everybody in this country.

I want to suggest to the Ministry that it may be important or crucial for them to mark forests as public facilities. If that was to be done, then the communities that are living around these forests will find it necessary to preserve the forests because they are also benefiting in one way or another. So, if we could move quickly and mark the forests as public facilities, alongside schools, dispensaries and shopping centres, then we would be joining hands with the communities because they would see the sense of taking care of the forests near them. If we continue stopping them from moving into the forests and yet we are not telling them why we need water, then it will not be very easy to convince them to preserve the forests for the benefit of others as opposed to them seeing the immediate benefit.

Mr. Temporary Deputy Speaker, Sir, in my constituency, we have also seen a lot of harvesting of the blue gum. It has also become a source of income for our rural folk. Perhaps, it is

good that they are being harvested. But the big question is: Do we want to plant blue gums again given that in my constituency we have witnessed a number of dams dry up because of these blue gums that have been planted? They are now bringing income to the people. They may want to plant more but in the process, we will end up without any dam. I think the Ministry needs to come up with an innovative way. I do not know whether we have to continue using the blue gum tree, even if it comes from West Africa, North Africa, South Africa or wherever it is. They say that the one from South Africa may be useful, but I do not think that, that is entirely accurate. That is because we have also seen the drying up of some of those marshy areas.

Mr. Temporary Deputy Speaker, Sir, others have talked a lot about other sources of power. I do not want to belabour the same point. I think it is important that we also explore those areas that may need legislative exercise. I think that will also be useful for this Parliament to help in it. We have heard some people talk about nuclear power, but I do not know why it is that we should continue being scared of things that would otherwise--- We have seen it help in other countries and I think we should also be bold enough to move into that direction.

Again, within the programme of rural electrification, the rural population is able to benefit if they are within the 600-metres radius of a transformer. That has been useful, but I think that if the Ministry could consider giving a directive that, that be doubled or tripled, then in some areas which are sparsely populated and those with some large pieces of land because of, perhaps, the arid nature, more people will benefit. But as it is now, 600 metres is useful, but it can be better because only a few households are able to benefit from that. Then, we are back to the same very difficult situation raising a lot of money that has been given in form of Estimates.

Mr. Temporary Deputy Speaker, Sir, if we are able to provide power like it has happened in many areas, then we would be able to take care of the youthful issue that is becoming a time-bomb in this country. With power near them, we are going - which is again, almost, a common sense position - to generate more jobs. That youthful population will be engaged in useful activities. That way, again, even the insecurity that we keep on experiencing in the rural areas will be reduced.

Mr. Temporary Deputy Speaker, Sir, I think that it is important to mention that when I heard one of the speakers before me talk about North Horr, he said that areas like North Horr--- He considered it very remote. He actually said that he is happy that he can see solar panels being installed in a very fast manner. According to the way he presented it, it seems like it is being done on an hourly basis. I am happy that, that is happening. But I would also like to note that, perhaps, some of the areas that have been considered as remote in the past are no longer remote. That is because if Ndaragwa is not considered as remote, then the example that was given by the Member for North Horr is enough evidence to prove that we are now in a very remote area.

Mr. Temporary Deputy Speaker, Sir, in Ndaragwa, affording a solar panel or even seeing one is not something that we are used to. I think attention needs to be given to all those areas. Ndaragwa is in Central Province, but I must say that there is no development even in terms of rural electrification. If we were to take stock of what has been done, we would be able to see that very little has happened in that constituency.

Mr. Temporary Deputy Speaker, Sir, as I support this Motion, I think it is important to know that many of the issues that we have, particularly relating to our youth, would be solved to some great extent, if they can access power easily.

I think it is also important for the Government, in future, to consider allocating a little bit more money, so that we can get more areas provided with power.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support the Motion.

**The Assistant Minister for Forestry and Wildlife** (Mr. Nanok): Thank you Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on this Motion. I fully support the Motion.

I have a few brief points to make. First, the work the Ministry has done for the last two years is commendable. This is particularly so with rural electrification. Electricity has been supplied even to areas where we have had hydro-electric power projects but without electricity.

Mr. Temporary Deputy Speaker, Sir, the place I come from, Turkana South, we have the famous Turkwel Gorge Hydro-Electric Project. After 15 years, it is only last year that we actually benefited from rural electrification in Kainuk Town. Unfortunately, 200 meters away from the power project, we have a village town that up to now is still in darkness. I urge the Ministry to look into this matter so that we do not have communities feeling marginalised by not benefiting from resources produced from their locality. These resources benefit communities far away. This will help minimise the sort of conflict and disgruntlement that these communities could be having with the power generating companies.

I would like to belabour the point that most of our power comes from hydro-electricity. It is, therefore, important to conserve water catchment areas. It is important that the Ministry of Energy puts a lot of focus in supporting the Ministries responsible for conservation of all the key water catchment areas. I would like the Minister to work very closely with them.

Mr. Temporary Deputy Speaker, Sir, it is also good to look at the alternative sources of energy. I know you have allocated funds and I am glad that it is only this year that there has been a lot of focus to expand on renewable sources of energy. We know that the bottom of the Rift Valley has a huge potential for geo-thermal. Up to now, it is less than 20 per cent exploited around Olkaria. Let us consider other areas that have a huge potential, for instance, Suguta Valley around Kapedo, such an area has a huge potential for production of geo-thermal power. I hope that we can re-look at this issue once again.

Others include the wind energy and solar energy. The Arid and Semi-Arid Lands (ASAL) temperatures are as high as 35 degrees centigrade everyday. This is wasted energy. As we see the rise in the price of diesel, we have to fully exploit these other sources of energy. These include bio-fuel particularly the Jatropher. During the first week of June, I managed to attend an open day discussion on Jatropher that was organised by the Forest Society of Kenya (FSK) at the National Museums of Kenya (NMK). I did not see anyone from the Ministry of Energy although we have been talking about Jatropher being an alternative source of energy.

It is high time that, not only the Ministry of Energy, but all the other stakeholders including the Ministry of Forestry and Wildlife, worked in tandem to exploit this resource and make sure that the areas with the highest potential in the ASAL, these particular crop is grown. The most important thing is the regulation of the production of Jatropher. We realise that about 10,000 acres of Jatropher is grown by private farmers, but the industry has not been regulated. I would really urge the Ministry to take the lead in ensuring that we have quality control in this area. We also need to provide the oil press required so that Kenyans can benefit much more from this.

Mr. Temporary Deputy Speaker, Sir, with regard to corporate social responsibilities, in areas where we are producing power, for example, Turkwel where we have the Turkwel Gorge Geothermal Power Station--- Forgive me if I am wrong, but I am sure it generates more than Kshs900 million every year. What is ploughed back to the community is less than 2 per cent of that money. So, let us look at this matter very closely so that, at least, we make sure that the communities living within where we generate power benefit out of it.

The other issue I would like to talk about is the cost of diesel. Indeed, the cost of diesel is very high. In marginal areas like Turkana, the price of one litre of diesel ranges between Kshs120 and Kshs140. Many years ago, the Turkanas used to walk a lot. Hardly had they began to enjoy the benefit of using vehicles when the price of diesel went up. The cost of using vehicles has gone up. A number of Turkanas have now thought of abandoning their vehicles and reverting to walking. That is why we really have to re-look at oil exploration. I know that we have a huge potential of oil

deposits in Turkana. Let us not issue exploration rights in secrecy. Let us make sure that the communities and local authorities are also involved. When the Ministry discusses with the private oil companies, the local authorities and communities on the ground should be advised much earlier so that we avoid problems that we have seen occurring in countries like Nigeria. One day, when we shall have oil, those communities will benefit from it. We should not end up having oil as a source of conflict. That is what is happening in some countries where oil is produced. The local communities do not benefit and they are, therefore, rising up in arms.

Mr. Temporary Deputy Speaker, Sir, there was talk one time about a second transport corridor that would link Sudan to Kenya. There was also talk of establishing a second pipeline so that we could take advantage of the crude oil that is in Southern Sudan. We need to re-look this issue. As we improve the Mombasa Petroleum Refinery, let us think of the second refinery that was proposed to be constructed in Lamu.

With regard to distribution of solar power to all secondary schools, a couple of weeks ago, I had discussions with the Permanent Secretary and I was told that they had connected all secondary schools with solar power. However, I realised that in my constituency, out of the five secondary schools that exist, only two have been connected with solar power. I hope that the Kshs300 million that has been provided for this purpose will light up the remaining secondary schools. So, I hope the Kshs300 million that has been provided will be able to light up the remaining secondary schools.

With those few remarks, I beg to support.

**Mr. C. Onyancha:** Mr. Temporary Deputy Speaker, Sir, I am going to try and be very brief; in the near future I will try to be tall so that you can notice me.

I will focus on sequencing with regard to the Vote for the Ministry of Energy. While supporting the Motion, I would like to say the following. First of all is that I am very satisfied, like many other hon. Members, with the good work being done by the Ministry. There is a lot of co-operation between the Minister and his parastatals, the Electricity Regulatory Commission (ERC) and the independent power producers (IPPs); I am sure that with that sort of co-operation, we shall receive the good service we expect.

I talked about sequencing. Our economy is not very strong; we are not a rich country. Of course, we have very scarce resources, but we try to spread them very thinly, and as a result, we really do not get anywhere. My proposal to the hon. Minister is that the Ministry in future, being one of the foremost Ministries in terms of development, should propose to the Treasury a much larger budget for Development. This Kshs6.3 billion is very little, because one of the smaller IPP that I am acquainted with is actually putting about the same amount this year into generation of power in this country. I would like to propose that we triple or quadruple the budget for the Ministry of Energy in the ensuing year; if we want to meet our goals for Vision 2030 and develop, we must have power. Power generation and development takes time. If we are going to start scrambling for it when industry needs have surpassed what we can generate, then we will definitely fail in our goal and we should not have such an intention.

Mr. Temporary Deputy Speaker, Sir, on the same issue of sequencing, I have noticed that the Kenya Pipeline Company is extending its pipeline further into Uganda and, hopefully, into Rwanda. But I would also like to propose - subject to funds being availed from the Treasury next year - that we extend the pipeline to other smaller towns and provincial headquarters, so as to ameliorate the burden on the roads. There is no need for us to build and repair roads that do not last for even five years, because of the heavy tonnage ferried on them by oil tankers.

I am a shareholder in a small company called KenGen, and I wanted to contribute towards the particular issue of that company's development. Of course, other than stating that the budget for it is too small for power generation, I am aware that there is a re-engineering exercise going on.

Co-operate re-engineering is a very touchy subject for many people. We do not want change in this country. There is always resistance, but if we do not change with the times, we shall definitely fail. There are a lot of savings we can make from corporate re-engineering.

In this regard, Mr. Temporary Deputy Speaker, Sir, I have been following this case because of my personal and my constituents' interest as shareholders of that company. I know that we have a very professional team handling the exercise, but because of my interest I have realised that the responses from the Ministry to that company are not fast enough.

Therefore, while I acknowledge the Ministry's efficiency, it should hurry up so that we can complete the exercise of re-engineering, so that, we, shareholders, can get more dividends from the savings that will emanate from there.

Mr. Temporary Deputy Speaker, Sir, let me now talk about an issue which touches many Kenyans. That is rural electrification. We have heard statements in this House to the effect that in certain areas, all secondary schools have already been served with electricity. I would like to state that, that may be the intention, but it has not yet been attained. Therefore, this exercise should be completed quickly, and when the Minister comes to respond to issues raised in this House, he does so with proven facts and not facts that can be proven otherwise.

Let me now touch on the future of this country with regard to water, because water has a bearing on energy. The 30 metre reserve may appear to be very large, but for our own survival, it is something which we must enforce throughout our country. This is an issue which the Minister for Energy cannot handle. So, I would beg that other Ministries, including the Ministry of Provincial Administration and Internal Security, and the Ministry of Water and Irrigation, get involved in this affair, so that we can save our environment and have enough water to generate electricity in future.

Mr. Temporary Deputy Speaker, Sir, lastly, talking about coal, we have heard day in, day out, Mr. Musila and others raising the issue of existence of coal in Mwingi District. We would like this Ministry to look into that issue urgently, so that we do not get into a situation where we are not utilising our own resources and having to import oil when we could create so many jobs by going into coal mining.

With those few remarks, I want to once more congratulate the Ministry and the parastatals under it for their efficiency and support the Motion.

Thank you.

**Mr. Letimalo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Vote. First, I want to start by commending the Minister for Energy for the elaborate plans he has for the supply of energy, particularly through the Rural Electrification Programme (REP), which covers the entire country, and also for the specific arrangements he has made for ASAL areas.

Having said that, I would like to register my disappointment. Looking at the allocation of Kshs19,143,000 for construction and civil works in Samburu, I do not know whether that covers the larger Samburu District, because we have two newly created districts, namely, Samburu East and Samburu North. If that allocation is for the three districts, then it is too little for any work to be done.

Mr. Temporary Deputy Speaker, Sir, considering that a lot has been said by the previous speakers, I will make very few comments. It is my humble request to the Minister to consider Samburu East District as a priority in the provision of energy, because that is one of the districts which does not have electricity at all. One of the reasons that make me advance that appeal is that Samburu East District is a rural district whose poverty levels are extremely high. Its inhabitants are purely pastoralists, who depend entirely on livestock. Therefore, their income is absolutely low.

If the Government's intention is to create self-employment with a view to stopping the rural folk from flocking to urban centres in search of employment, with the provision of electricity, it

will be possible for people to start small-scale enterprises. When there is electricity in the rural areas you can talk of *Jua Kali* garages for welding and barber shops from which the people can make their little earnings.

Mr. Temporary Deputy Speaker, Sir, Samburu East District is one that has recorded very poor performance in national examinations. This is due to many factors. With the provision of electricity to our schools, it will enable the students to learn for longer hours, and the teachers will be able to give them extra coaching. Samburu East District is proud of having a big hospital in the name of Wamba Mission Hospital, which serves the three Samburu districts, that is, Samburu North, Samburu Central and Samburu East, parts of Isiolo District, Marsabit District and even parts of Laikipia District. But if you look at the monthly bill, because they use the diesel-driven generators, they spend over Kshs1 million per month. The majority of the patients are poor people, who cannot pay the cost of treatment. Considering that this is a mission hospital and the major purpose is to help the rural folk, you find that in many cases the hospital bills are not paid until one is able to raise funds. I am sure that if the Government, through the Ministry of Energy, is able to provide electricity, then the cost of power in that hospital will reduce.

Mr. Temporary Deputy Speaker, Sir, I also want to note that Samburu East District depends entirely on livestock for its economy. To improve livestock production, electricity will contribute a lot because people will be able to build a modern abattoir and even have the safe keeping of vaccines. I am sure that such a move will improve livestock production in the area.

Finally, I want to applaud the Minister for thinking of other sources of energy and considering that Samburu East District falls under the Arid and Semi-Arid Lands (ASALs), which are characterised by hot weather and also windy spells. I am sure that wind and the solar energy will be quite appropriate for the production of energy in those areas.

With those few remarks, I beg to support.

**Mr. Ngugi:** Mr. Temporary Deputy Speaker, Sir, I rise to support this important Motion on the Ministry of Energy. First of all, I would like to say that just like Ministry of Roads, this is one of the most important Ministries, because it is one of the drivers of the economy. If we look at education, it relies a lot on electricity supplied to schools, so that they are able to use computers and also study into the late hours. It is important to have energy in health centres and dispensaries in order for them to store drugs instead of having such facilities that cannot store them for a long duration of time.

Mr. Temporary Deputy Speaker, Sir, if we look at the Information and Communication Technology (ICT) sector which is one of the economies that have not been exploited in this country, it is driven by energy. This is why if we want to exploit the ICT sector in this country, we must improve our energy distribution so that we can exploit ICT. This is the reason why we need to look at the cost of electricity in this country. If we have to improve on our education, health and exploit ICT and other sectors, we must look at the cost because I consider the cost of electricity in this country to be too high and prohibitive, especially for the common mwananchi in the rural areas. It is for this reason that I would like to ask the Ministry to look at ways in which especially the rural areas can access cheaper costs of electricity. Possibly, we need to have a differentiated tariff between the rural areas and the urban areas.

If we look at the generation of electricity, I am happy to see that the Ministry is looking at various sources from which we can generate electricity but I would like to narrow down on one area that I feel this country has not really exploited. If you go to Pakistan, you will see a lot of small hydro generation plants. In this country, we have so many small falls and rivers and yet we do not generate electricity from them. If we were to copy the example of Pakistan, then we can be able to provide electricity to some rural communities alongside these rivers and then we can release the main grid to be used commercially or in big towns.

Mr. Temporary Deputy Speaker, Sir, I would also ask this Ministry to encourage, especially the rural folks to generate energy from biogas. There is a system being supported by GTZ. I did so in my own house in 1984 and if it could be afforded to most Kenyans, then we can be able to light our houses and use it for other purposes and then it will be a cheaper source of energy.

I do not want to belabour much on what has been said about the relationship between energy and the environment but if you look at how we have degraded our environment, then we can see why we are not able to generate much.

Mr. Temporary Deputy Speaker, Sir, when I was growing up, we had big rivers in Kinangop and the whole of Nyandarua but now they are tiny masses of water. If we are able to protect our environment, then we will be able to generate more electricity at a cheaper cost instead of having to import it either from the Southern African Development Corporation (SADC) countries or from Uganda. We could be able to generate it ourselves.

Mr. Temporary Deputy Speaker, Sir, this is why I have always called for an inter-relationship between all ministries that do one kind of job. If you take the Ministry of Environment and Minerals and the Ministry of Water and Irrigation---

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Mr. Ngugi! You will have a balance of four minutes to contribute when we reconvene tomorrow.

Hon. Members, it is now time to interrupt the business of the day. The House, therefore, stands adjourned until tomorrow, Wednesday, 30th July, 2008 at 9.00 a.m.

The House rose at 6.55 p.m.