

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 10th July, 2002

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.293

POLICE INVESTIGATION INTO WOMAN'S DEATH

Eng. Muriuki asked the Minister of State, Office of the President what the results of police investigations regarding the body of a woman found in a cattle dip in Rurie Village in Ol Kalou Constituency in November, 2000 are.

Mr. Deputy Speaker: Is there anyone here from the Office of the President? There is nobody here from the Office of the President! We will come back to that Question later on!

Question No.311

IMPLEMENTATION OF *EL NINO* PROJECTS

Mr. P.K. Mwangi asked the Minister of State, Office of the President:-

- (a) whether he is aware that Maragwa District suffered great losses from *El Nino* rains;
- (b) which projects have been earmarked to benefit from the *El Nino* Emergency Fund; and,
- (c) when construction work on those projects will start.

Mr. Deputy Speaker: Still there is nobody here from the Office of the President! We will come back to that Question later on!

Question No.070

STABILIZATION FUND FOR COFFEE INDUSTRY

Mr. Gatabaki asked the Minister for Finance whether the Government could consider negotiating with the European Union for a stabilisation fund to re-finance the coffee industry by providing money to farmers at subsidised rates and long-term repayment period.

The Minister for Finance (Mr. Obure): Mr. Deputy Speaker, Sir, I beg to reply.

The proposal to establish a stabilisation fund to re-finance the coffee industry is already taken care of under the Coffee Act 2001, which provides for the establishment of a Coffee Development Fund. All future support from the European Union (EU) to the coffee industry will be considered in the light of the Coffee Development Fund.

Mr. Gatabaki: Mr. Deputy Speaker, Sir, if there is any Minister who is conversant with the crisis in the coffee industry, then it is Mr. Obure. He was first appointed the Minister for Agriculture, and was very instrumental in the passing of the Coffee and Tea Acts. Considering the problems that the coffee industry is going through right now, and the time it will take before the commencement of the Coffee Development Fund, its funding and the necessity of reviving this industry as soon as possible for the welfare of this nation and thousands of farmers, could the Government consider negotiating with the EU to finance the Coffee Development Fund?

Mr. Obure: Mr. Deputy Speaker, Sir, I agree with Mr. Gatabaki that there is need for investment in the coffee industry in order to revive that industry which has suffered severely in the last few years. However, we must acknowledge that in terms of financial support to the coffee sub-sector, the Government has received generous support

from the EU through the STABEX funds. With the funds provided under the STABEX funds, a revolving fund was created in the Co-operative Bank of Kenya, which is being accessed by coffee farmers. An initial amount of Kshs650 million was put into this fund in 1996. A further Kshs1 billion has been put into this fund and this has been lent out to farmers both at the small-scale and plantation levels. The facilities available to farmers are at a fair rate of only 5 per cent interest per annum. Any future assistance and, indeed, that is a matter which is already being pursued with the EU, under the balance of the STABEX funds, will be directed towards this goal after an agreement has been reached with the EU.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the Minister has said that funds have been availed to coffee farmers, and yet the industry is collapsing because these farmers cannot access those funds. Could the Minister order today that all the funds which were given under the STABEX facility are transferred to the Coffee Development Fund, so that the coffee farmers can access them immediately?

Mr. Obure: Mr. Deputy Speaker, Sir, Mr. Angwenyi knows that the Minister has no powers to order a transfer of funds which have been negotiated under an existing legal framework. This is not possible. Now that the Coffee Act is in operation and the Coffee Board has been established, I believe that in the next one month or so, the Board will establish the Coffee Development Fund. Means and ways of putting money into that fund will be put in place so that it can be accessed by coffee farmers. This is an initiative we will have to work out with jointly with coffee farmers and their leaders.

Mr. Kihoro: Thank you, Mr. Deputy Speaker, Sir. Arising from a list which has been provided by the Ministry, coffee farmers throughout the country have been indebted to the tune of Kshs8 billion, while the STABEX funds were Kshs15 billion. Could the Minister assure this House that he will assist these farmers to pay their debts because, as the debts stand today, there is no way coffee farmers will ever get an income?

Mr. Obure: Mr. Deputy Speaker, Sir, as I have said I am very sympathetic to the coffee farmers. But I cannot do what Mr. Kihoro is asking me to do. This is because he knows that I operate within the laws and procedures established by this House. If the coffee industry was to be assisted in respect of previous debts, that is a matter which will have to be brought before this House, discussed and an appropriate resolution passed before the Minister for Finance, or any other Minister in the Government, can take it up.

Mr. Kaindi: Mr. Deputy Speaker, Sir, the Minister does not seem to understand the agony of the coffee farmer. Could he explain to this House what mechanism he has put in place to ensure that money that has been advanced to farmers from various donor organisations, for example, the STABEX funds, has an impact on the coffee sector?

Mr. Obure: Mr. Deputy Speaker, Sir, hon. Kaindi has suggested that I do not understand the agony of the coffee farmer. I have just expressed my sympathy for the coffee farmer. In fact, I benefitted from coffee activities and the earnings generated from them.

As I explained earlier, farmers have benefitted from the STABEX funds, which were made available to them through the Co-operative Bank of Kenya (CBK). I also said that negotiations are under way, with the European Union (EU), in respect of the balance of the STABEX funds. It is our hope that an agreement will be reached through the ongoing negotiations; to eject some of these funds into the coffee industry.

Capt. Ntwiga: Mr. Deputy Speaker, Sir, just last week, the Minister brought to this House two Sessional Papers seeking a resolution of Parliament to rehabilitate the Kenya Meat Commission (KMC) and write off loans owed to the Agricultural Finance Corporation (AFC), so that livestock farmers could benefit. What is he doing, as the Minister for Finance, about this very important sector? Could he bring a Sessional Paper to this House seeking a resolution to write off loans owed by the coffee farmers?

Mr. Obure: Mr. Deputy Speaker, Sir, I have already outlined what the Government has done, in conjunction with the EU, to try and assist the coffee farmer through provision of funds through the CBK, and some funds have already been accessed by the coffee farmers. I am aware that last week there were two Sessional Papers seeking a resolution of the House in order for us to move in a certain direction.

Capt. Ntwiga will remember that, about a year ago, a Sessional Paper was brought to this House. I am also aware that certain fundamental issues were raised in respect of that Sessional Paper, which dealt specifically with debts owed by the coffee farmers. That Sessional Paper was withdrawn. I want to assure this House that the matter is being revisited and, if it is found to have merits, it will be brought back to this House for further discussion. I cannot predict the outcome of the discussions after the matter has been brought here.

Mr. Gatabaki: Mr. Deputy Speaker, Sir, you can see the general interest from both sides of the House regarding the issue of coffee. We are not only talking about coffee, but the whole of the agricultural sector is involved. The issue is not about the sympathy the Minister has talked about, but it is about policy and poverty alleviation. How will we revive the agricultural sector, so that as many Kenyans as possible get back to work and the Government starts getting foreign exchange earnings from coffee?

If the Government can bring to this House two Sessional Papers seeking a resolution of Parliament to write off billions of shillings owed by "big shots" to the AFC and KMC, what is preventing it from taking immediate action to revive important subsectors such as the coffee subsector? Why can the Government not initiate an immediate decisive and massive programme to revive the coffee subsector, which brings a lot of foreign exchange earnings to our nation?

Mr. Deputy Speaker: Order! Mr. Gatabaki, you have asked, at least, three questions. I do not know which one the Minister will answer.

Mr. Obure: Mr. Deputy Speaker, Sir, I want to take this opportunity to dispel the perception that Sessional Papers we may have brought to this House in respect of the KMC or the AFC, have anything to do in writing off debts owed by "big shots". This is not true. When we come to debate the Sessional Papers, Mr. Gatabaki will see that this is not true. We are talking about debts owed by very small people; for example widows and people who have died.

Hon. Gatabaki has raised the issue of policy framework in operation in respect of the revival of the agricultural sector. You will appreciate that all the measures we have taken, including measures recently taken and presented here during the Budget Speech, are aimed at resuscitating and helping the agricultural sector to come back on track. We must also recognise that the coffee industry, in particular, has been a major worry for the Government. The issues in the coffee industry go far beyond our control. We are talking about international prices. International prices for coffee have gone down to the lowest level in 30 years. That is, probably, the biggest challenge the coffee industry faces.

In terms of organisation, policy measures have been taken and a new framework has been put in place. The industry has been liberalised. We are instilling new discipline and management in the coffee sector, and I am optimistic that if the new managers, under the new mandate given to them under the new Coffee Act, take up their challenge, we will see an upward trend in the coffee industry.

Question No.194

ELECTRIFICATION OF COFFEE FACTORIES

Mr. Muihia asked the Minister for Energy:-

- (a) how much money has been granted by the European Union under the Coffee Factories Electrification Programme (COFFREP);
- (b) how much was utilised during the year 2001/2002; and,
- (c) when the Ministry will authorise the electrification of Kigaa, Gitwe, Karinga and Wamuguma Coffee Factories in Gatundu South Constituency.

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

(a) A total of Kshs375 million has been granted for implementation of Phase I of the Coffee Factories Rural Electrification Programme (COFFREP). A further Kshs500 million has been allocated for financing Phase II of the programme although the financing agreement has not yet been signed.

(b) During the fiscal year 2001/2002, a total of Kshs80 million was available, and was released to the Kenya Power and Lighting Company (KPLC) in May, 2002, to be utilised in procurement of materials. The construction work is expected to start in August/September 2002.

(c) The implementation of COFFREP is being done in phases, with 168 factories, out of the 886, having been selected under Phase I on the basis of least-cost for implementation. This phase was further divided into stages I, II and III.

Out of the selected 168 coffee factories, 57 have been supplied with power under Stage I, whereas 59 were declared ineligible on the basis of the factories not being operational or having been abandoned. The remaining 52 factories, out of the 168 selected factories, are earmarked for implementation under Stages II and III, planned for completion by June 2003.

The electrification of Kigaa, Gitwe, Karinga and Wamuguma Coffee Factories in Gatundu South Constituency will be considered among others under COFFREP Phase II, which is expected to commence in the second half of the financial year 2002/2003.

Mr. Muihia: Mr. Deputy Speaker, Sir, the Assistant Minister has said that they were supposed to electrify 168 factories but they have only electrified 57 of them. In part (b) of the answer, the Assistant Minister has said that 52 factories, have not yet been electrified. But simple mathematics will show that 111 factories under Phase One, have not yet been considered. In answer to part (c) of the Question, the Assistant Minister has said that those coffee factories in Gatundu South will be electrified in Phase Two. Could he state how much money he has provided for each of those factories, because he has said the money has been given to the Kenya Power and Lighting Company (KPLC) to purchase those materials? How much has he provided for each of the five factories?

Mr. Sasura: Mr. Deputy Speaker, Sir, there is no confusion here. I clearly said that, out of the 886 factories

under Phase One, we are implementing electrification for 168. Out of the 168 factories in Phase One, 57 are under implementation, and as the hon. Member put it rightly, we have a balance of 111 factories. The remaining factories are not eligible due to the various reasons that I have stated. Secondly, the factories in Gatundu South will be considered under Phase Two and we have about Kshs500 million that has been allocated but we have not yet broken that down into how much each factory is going to get.

Mr. Anyona: Mr. Deputy Speaker, Sir, the greater Kisii is part of the coffee growing areas of this country. We keep on hearing about this story about the STABEX funds and funds for electrification. We did not see any action taken in the greater Kisii. Could the Assistant Minister give us the list of names of the coffee factories in Gucha, Kisii and Nyamira districts which benefited from this facility during the first phase?

Mr. Sasura: Mr. Deputy Speaker, Sir, I may not be able to give the names of factories which benefitted from this programme in the greater or lesser Kisii. But I know that under Kisii, we have got some factories where some electrification is going on. If the hon. Member wants me to name a few, we have got Nyamonyo, Kinyulu, Mobanda, Mosacha, Nyosia just to name a few.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, like Mr. Anyona has said, the greater Kisii produces 25 per cent of the coffee in this country. We have been having this programme for the last ten years without any factory in Kisii benefitting at all. Could the Assistant Minister tell us who identifies the factories to be given this rural facility and what criteria is used to identify those factories? Could he also undertake that in the next phase, he will grant a higher proportion of money to the greater Kisii?

Mr. Sasura: Mr. Deputy Speaker, Sir, this selection is done by a committee from the Ministry of Energy, and the Treasury, but it is approved by the European Union. We try as much as possible, to spread this project all over the coffee producing areas and the list I have here is very long, unless they want me to table it to indicate that we cover almost all the coffee producing areas in this country. The names I mentioned earlier are for coffee factories selected for electrification under the STABEX programme in Phase One.

Mr. Deputy Speaker: Mr. Sasura, I think it would be helpful to lay that list on the Table.

Mr. Mutahi: Mr. Deputy Speaker, Sir, I would like to request the Assistant Minister to table that list of 168 factories earmarked for electrification in Phase One.

Mr. Ndicho: Mr. Deputy Speaker, Sir, the Assistant Minister has said that so far, they have received Kshs500 million and they have set it aside pending approval of the factories to be electrified. Could he tell us when they received that money, and why they have not done what they said they were going to do up to this particular moment? We fear that some of the money is received from the European Union then kept in a bank account and the interest that accrues goes to some private people's hands. Could he tell us why they have kept this money for that long?

Mr. Sasura: Mr. Deputy Speaker, Sir, I now table the list of factories as requested by the hon. Member.

(Mr. Sasura laid the document on the Table)

Secondly, if Mr. Ndicho had listened to me carefully, I did not say we received any money. What I said is that Kshs500 million has been allocated for financing Phase Two. So, we have not received the Kshs500 million.

Mr. Muihia: Mr. Deputy Speaker, there is still a lot of confusion about the answer provided. Phase One has got Kshs375 million which has been given out by the European Union. Phase Two will come later. I was in the Ministry of Energy sometime back and I was told that some money has been dispatched for Gitwe Coffee Factory. But, in his answer, the Assistant Minister says Gitwe Coffee Factory will be considered under Phase Two. Could he tell us which factories have been considered under phases One, Two and Three? Could he also tell us when Phase Two will be implemented?

Mr. Sasura: Mr. Deputy Speaker, Sir, Phase Two will commence in the second half of the 2002/2003 financial year. The factories in Gatundu South will be considered under Phase Two which will begin this year.

Mr. Muihia: On a point of order, Mr. Deputy Speaker, Sir. I have just informed the Assistant Minister that I was at his Ministry and I was made to know that, that money has been disbursed for Gitwe Coffee Factory and---

Mr. Deputy Speaker: Who gave you that information?

Mr. Muihia: His officers!

Mr. Deputy Speaker: Order, Mr. Muihia! His officers are not capable of giving information which can be used in this House, because I cannot ask them questions.

Mr. Muihia: I saw the Minister and his officers. But could he confirm that the money for Gitwe Coffee Factory is already with the KPLC and when will they start electrifying Gitwe Coffee Factory?

Mr. Sasura: Mr. Deputy Speaker, Sir, I cannot confirm that the money is already with the KPLC. That is European Union money and we do not just give it to the KPLC. But the Kshs80 million we had received earlier has been given to the KPLC. The factories in Gatundu South are under consideration under Phase Two. I am surprised that the hon. Member is depending on information---

(Messrs. Muihia and Murathe consulted loudly)

Mr. Deputy Speaker: Order, Mr. Sasura! Just sit down because the hon. Member who asked the Question is not interested in hearing the answer!

Next Question, Dr. Ochuodho!

Question No.322

PENSION FOR RETRENCHED KETRI EMPLOYEES

Dr. Ochuodho asked the Minister for Agriculture:-

(a) how many employees of the Kenya Trypanosomiasis Research Institute (KETRI) have been laid off during the on-going retrenchment process and how many more are expected to go;

(b) whether he is aware that KETRI's Pension Scheme from its inception in July, 1990 was placed with the collapsed Kenya National Assurance; and,

(c) what arrangements have been put in place to ensure that all retrenchees receive promptly and wholly, their pension on retirement.

The Assistant Minister for Agriculture and Rural Development (Mr. J.D. Lotodo): Mr. Deputy Speaker, Sir, I beg to reply.

(a) A total of 68 members of staff have been retired during the on-going retrenchment exercise. A total of 242 more members of staff are expected to be retrenched.

(b) I am aware that the Institute had a Provident Fund with the Kenya National Assurance Company, now under receivership, from July 1990 to June, 1996.

(c) The following arrangements have been put in place to ensure that all retrenchees receive promptly and wholly, their pensions on retrenchment.

The Government has approved the retrenchment programme and provided the necessary funding. The Ministry has already issued a cheque No.070509, dated 30th May, 2002, amounting to Kshs22,087,293 to the Institute to pay the last batch of retrenchees.

The High Court in the winding up cause No.18 of 1996 - Kenya National assurance Limited in receivership on 19th March, 2002, directed the Official Receiver to pay all the life funds held by the Kenya National Assurance Company within 60 days.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, I am surprised that, whereas retrenchment was a condition given by the World Bank and IMF, which have since refused to give us money, the Government still seems to be going on with this policy. I am glad that the Minister was prompted by this Question to release Kshs22 million to the retrenchees. However, the court ruled that, within 60 days, that is from 19th March, 2002, the monies held by the Official receiver of Kenya National Assurance Company (KNA) be paid. Sixty days from 19th, March, 2002, elapsed on 19th May, 2002. Could the Assistant Minister tell us whether by now this money has been released to the retrenchees or not? If this money has been released, how much was it and when was it released?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, as I said, the Government has released the money to the retrenchees and, therefore, any other additional funds will be remitted soon.

Mr. Muchiri: Mr. Deputy Speaker, Sir, this issue of retrenching Government officers, and officers from parastatal organizations, seems to be continuous. When will the Government stop this practice?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, this was a condition which was put by the World Bank and IMF institutions and we had agreed that retrenchment should continue. Therefore, we will continue the exercise until the last batch is over.

Mr. Mwenda: Mr. Deputy Speaker, Sir, we all know that the KNA went under in 1996. Where has the employees' money been going since the KNA went under receivership?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, when the KNA went under receivership, the remission of money from employees was stopped. Therefore, that is what the Ministry is trying to follow up, after the case is concluded.

Mr. Deputy Speaker: Mr. Assistant Minister, are you suggesting that these employees, therefore, ceased to have any pension scheme to contribute to?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, there were those employees who were initially seconded, and then there are those who are not pensionable and who are under NSSF. So, the money will be put together and be submitted to the employees.

Dr. Murungaru: On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to mislead the House that the "money will be put together and be submitted to the employees," while we know that, after KNA

went under receivership the employees continued paying their pension contributions? Could he tell this House where the money was going to?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, we noted that there was money which was deducted from the salaries of the employees and that is why we are following up the matter to make sure that the money is remitted to the employees.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, the Government and State Corporations have a tendency of ignoring court rulings. For the information of the Assistant Minister, between June 1996 and June 1997, nobody seems to be sure where the money was going to. But since 1997, that money has been remitted to the ICEA which has since become the Official Receiver of such funds. Could the Assistant Minister answer my first question that, the court directed that within 60 days, from 19th March, 2002, the money be paid to the retrenchees and since that time, 60 days have elapsed? Has this money been paid and if it has been paid, when was it paid and how much was it? If not, why has the Ministry not obeyed the court order?

Mr. J.D. Lotodo: Mr. Deputy Speaker, Sir, I have just answered that we have released a cheque of Kshs28,087,293 dated 20th May, 2002. So, I do not know what the hon. Member is talking about!

Question No.367

MARKETING OF DAIRY PRODUCTS

Dr. Murungaru asked the Minister for Agriculture:-

- (a) what immediate steps he will take to ensure Kenyan dairy farmers market all the milk they are producing at the moment; and,
- (b) what long-term plans he has to stabilize the dairy industry.

The Assistant Minister for Agriculture and Rural Development (Mr. Sumbeiywo): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) The Ministry has taken appropriate actions to elevate marketing of milk and milk products as follows:-

The Government has increased tariffs on imported milk products from 35 per cent to 60 per cent, mainly on imported powdered milk.

Secondly, the Ministry has constituted a task force to look into the importation of agricultural products and commodities, which will also advise on the institutional arrangements and procedures for effective control of importation of agricultural goods including dairy products.

Thirdly, the Ministry, in collaboration with other relevant institutions, such as Ministry of Trade and Industry, Kenya Revenue Authority, Customs and Treasury, has harmonized the importation procedures to seal the loopholes. Some of the harmonized procedures are that the Ministry of Agriculture and Rural Development will give a go-ahead before importation of all agricultural commodities, including dairy products.

The above short-term efforts are expected to create more room for farmers to dispose of their milk and increase production.

- (b) The Ministry has revised both the dairy development policy and the Dairy Industry Act, Cap.36 and the two are at the finalization stage. The revision aims at enabling the dairy industry stakeholders to take control of the industry.

Dr. Murungaru: Mr. Deputy Speaker, Sir, while I appreciate the efforts that the Assistant Minister is making, in trying to alleviate the situation, the fact is that, even as we speak now, and as we head towards a drought season, we are told that there is a glut of milk and milk products in the market, arising from over-importation of dairy products into the country. The Assistant Minister has said that, to counter this, he proposes to raise the tariff from 35 per cent to 60 per cent. May I ask the Assistant Minister not to just increase tariff, but to actually completely ban importation of dairy products into this country because Kenya, alongside Zimbabwe and South Africa, is still purchasing imported milk products---

Mr. Deputy Speaker: Order! Ask your question!

Dr. Murungaru: That is precisely what I am doing, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: No! No! You are making a speech and you want to convert it into a question!

Dr. Murungaru: Mr. Deputy Speaker, Sir, I shall proceed to succinctly ask the question.

Mr. Deputy Speaker: Proceed!

Dr. Murungaru: Could the Assistant Minister consider a total ban on the importation of dairy products, instead of merely rising tariffs?

Mr. Sumbeiywo: Mr. Deputy Speaker, Sir, I agree with Dr. Murungaru that it is important and incumbent upon the Government and the Ministry to completely ban the importation of dairy products. This is what we are doing now in the Ministry through the task force that I have mentioned above. We are recommending that there should be no

milk or milk products, including powdered milk imported into this country until and unless this country is short of such commodities.

Mr. Thirikwa: Mr. Deputy Speaker, Sir, I know that the Kenyan market can only absorb 40 per cent of our milk during the peak period. That is the problem because the balance of 60 per cent is not absorbed in the market. What is the Assistant Minister doing to re-open milk societies in Kitale and Kiganjo to manufacture butter and milk powder, respectively? What is the Assistant Minister doing to make sure that those institutions are re-opened, so that farmers could be able to sell their products?

Mr. Sumbeiywo: Mr. Deputy Speaker, Sir, I am happy that Mr. Thirikwa has come out openly because he has dealt with milk processing in the past. We all have the same problem. We are all farmers. We sympathise with our farmers. On what the Government is doing, it has formed a task force to revive the Kitale, Sotik and Kiganjo diary co-operative societies, which can produce powdered milk, instead of importing it from other countries.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, the Question which has been asked is very important for people, not only in Laikipia, but in the whole of Kenya. They are pouring down thousands and thousands of litres of milk every day. What immediate action is the Assistant Minister going to take to ensure that the situation is arrested? Farmers are still using all their incentives to keep the diary farming alive. What steps is he taking to ensure that, that milk is harvested?

Mr. Sumbeiywo: Mr. Deputy Speaker, Sir, it is not only in Laikipia where we have that problem. It is a problem throughout the country. As I speak here, it has affected me personally because I have nowhere to deliver my milk! So, as I said earlier on, the Ministry is working very hard and we will make sure that, within the shortest possible time, we will be able to absorb all the milk produced locally.

Dr. Murungaru: Mr. Deputy Speaker, Sir, that is, indeed, a serious problem. We are slaughtering exotic diary cows because we do not have a way to sustain them because we are pouring down milk. Just about a year ago, there were reports in the Press about Kenya Co-operative Creameries 2000 (KCC 2000) being revived. Money was collected and we were told that in about three months, that is about nine months ago, the KCC 2000 would start absorbing all the milk produced in the country. I wish to ask the Assistant Minister what happened to the money that was paid by Kenyan farmers to the KCC 2000 Limited and why has it not started receiving milk from farmers and processing it as the Assistant Minister proposes to do in Kiganjo, Sotik and elsewhere? What happened to the money and when will it be opened?

Mr. Sumbeiywo: Mr. Deputy Speaker, Sir, the money that was collected and the debt that the KCC owed the farmers was converted into shares. I think that was agreed between the farmers and the KCC 2000. The KCC 2000 took off at a very slow pace and I am sure that it is soon going to pick up and be able to absorb all the milk in the market.

Question No.352

REHABILITATION OF NANYUKI-MERU ROAD

Mr. Kiunjuri asked the Minister for Roads and Public Works:-

- (a) whether he is aware that Nanyuki-Meru Road is almost impassable; and,
- (b) what urgent measures he is taking to rehabilitate the road.

The Assistant Minister for Roads and Public Works (Mr. Mokku): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) I am aware that the Nanyuki-Meru Road is almost impassable.
- (b) About ten kilometres of the bad section of that road have been spot-patched, while spot-patching of eight kilometres of the section between Timau and Nanyuki is on-going.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, it is very unfortunate that the Assistant Minister, who is misleading the House, uses that road on a daily basis. However, the road is 67 kilometres long and he is only talking about 18 kilometres. He has answered affirmatively that he is aware that the road is almost impassable. Could he tell this House how much money will be used for spot improvement and how much would have been used for re-carpeting the entire road?

Mr. Mokku: Mr. Deputy Speaker, Sir, I do not intend to mislead the House and it is true that I use that road. In May this year, Kshs1 million was released to the Provincial Works Officer for the on-going work. It is true, and I have admitted that, that road needs major rehabilitation. But as of now, to do that major work is not possible because funds are not available.

Mr. Maore: Mr. Deputy Speaker, Sir, I would like to agree with Mr. Kiunjuri that the Assistant Minister is misleading the House. He has agreed that the road is almost impassable. He has also said that the Government has only worked on eight kilometres. The road is 67 kilometres long and the entire road, just like the Meru-Maua Road, is

not motorable. Could the Assistant Minister be honest? We should defer this Question until the Assistant Minister tours the road and sees the mess and state in which it is in. The Minister who has signed the answer has never been there to know what he is talking about!

Mr. Deputy Speaker: But he has just said that he uses that road on a regular basis!

Mr. Maore: I mean the Minister who has signed the answer! He is Mr. William Morogo and not Mr. Mokku!

Mr. Deputy Speaker: No! A Minister is a Minister, including an Assistant Minister!

Mr. Mokku: Mr. Deputy Speaker, Sir, I am capable of answering the Question. Actually, whatever I have said in this House is correct. I have said that the road is not in good condition. I have said that only eight kilometres of the said road are being improved. The coming weekend, that is on Sunday, the Ministry will visit that section of the road. I am sure we will come back with the necessary report. I have admitted that the road is not in good condition. They are also invited to come and join us.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, out of the 60 per cent of money allocated to roads, 24 per cent is supposed to go to the districts. Could the Assistant Minister tell this House how much has been remitted to the districts? What are the returns? I would like to agree to go to the spot with the Assistant Minister, but could he tell us the true status of the road and how much is required, instead of wasting Government money on a project that is not viable?

Mr. Mokku: Mr. Deputy Speaker, Sir, I have said that Kshs1 million was released in May to the Provincial Works Officer from the Fuel Levy Fund. As I promised, we will be there on Sunday and the necessary assessment will be done by the team. As regards the 60 per cent and 24 per cent that the hon. Member has referred to, there was no money from that allocation set aside for that road.

Mr. Deputy Speaker: Next Question, Eng. Muriuki!

Eng. Muriuki: Mr. Deputy Speaker, Sir, although I do have a copy of written reply, I will ask Question No.293 for the second time.

Question No.293

RESULTS OF POLICE INVESTIGATION
INTO WOMAN'S DEATH

Eng. Muriuki asked the Minister of State, Office of the President what the results of police investigations are regarding the body of a woman found in a cattle dip in Rurie Village in Ol Kalou Constituency in November, 2000.

The Assistant Minister, Office of the President (Mr. Samoei): Mr. Deputy Speaker, Sir, I am sorry that a copy of the written answer has not been given to the hon. Member. But I will give him a copy of the written answer.

However, I beg to reply.

Mr. Deputy Speaker, Sir, I had answered this Question on 15th November, 2000. I said the Inquest File No.6 of 2000 had been opened and placed before the Principal Magistrate's Court in Nyahururu. The first hearing was held on 21st June, 2002 and a second hearing is fixed for 15th July, 2002 at the Principal Magistrate's Court in Nyahururu. The identity, unfortunately, of the deceased woman has not been established. The body is still lying at Nyahururu District Mortuary.

Eng. Muriuki: Mr. Deputy Speaker, Sir, if I could refresh the memory of the Assistant Minister a little, the body was found in a cattle dip in Rurie Village in Ol Kalou Constituency. The people of that village, and its environs, gathered to establish who among them was missing because that body did not have a head. The Assistant Minister kindly agreed to open a police post there for the purpose of an inquest and many people gave evidence. Has this body been identified? Have the police been able to arrest anybody? Have the police been able to arrest those people who were seen with the only strange lady in that village the day before the body was discovered?

Mr. Samoei: Mr. Deputy Speaker, Sir, I have said that the identity of the lady whose body was found, minus the head, has not been established and no persons have been arrested. As I said, the file is till open and there will be a hearing on 15th July, 2002.

Mr. Muite: Mr. Deputy Speaker, Sir, could the Assistant Minister specifically tell this House the result of the police investigations? On what basis did they open an inquest file? Did the police carry out investigations and on that basis, decided to open an inquest file? An inquest file is opened if somebody dies in mysterious circumstances. What conclusion did the police arrive at after carrying out investigations? That is what we want to know.

Mr. Samoei: Mr. Deputy Speaker, Sir, as Eng. Muriuki rightly said, the body of a woman was found in a cattle dip in Rurie Village in Ol Kalou Constituency. Indeed, the circumstances that surround the finding of this body were mysterious as Mr. Muite said. It is because of that, that an inquest file was opened. The police investigated the

matter but they did not get far. Therefore, they decided to open an inquest file so that the issue could be determined and maybe members of the public could help in the investigation. Unfortunately, the investigation has been going on for the last two years. It has taken quite some time. But we believe that we will be able to conclude the case as soon as possible. As I said, there will be a hearing on 15th July, 2002.

Mr. Muchiri: Mr. Deputy Speaker, Sir, if the Assistant Minister has been following Press reports, it would appear the police are not investigating cases the way they should investigate them. Culprits are being acquitted for no apparent reason. Did the police finger-print that lady so that they could identify the person through the Registrar of Persons? Did they go to the scene to take tissue samples and footprints, if necessary, because the Assistant Minister says the body was found in a cattle dip?

Mr. Samoei: Mr. Deputy Speaker, Sir, the police did carry out their investigation as required by law. That is why we do have something that would be put forward during the hearing on 15th July, 2002.

Eng. Muriuki: Mr. Deputy Speaker, Sir, on the morning when this body was found, there was a major crisis in Ol Kalou because that body had no head. The people of that area were simply asking who among them was missing. There was a lady who had come to buy land the previous day. Presumably, she had a lot of money with her. People requested to have a police post there so that they could give evidence on what they knew and where they had seen that lady who they suspected was the one in the cattle dip. For two weeks, people streamed to that police post; from morning till evening. Is the Assistant Minister telling us that all those people were not able to give enough evidence that could have been used to conclude this matter? What was the result of the investigation?

Mr. Samoei: Mr. Deputy Speaker, Sir, I shall be able to give those details after the conclusion of this matter which should be in a very short while.

Mr. Deputy Speaker: Next Question, Mr. P.K. Mwangi.

Question No.311

IMPLEMENTATION OF *EL NINO* PROJECTS

Mr. P.K. Mwangi asked the Minister of State, Office of the President:-

- (a) whether he is aware that Maragwa District suffered great losses from the *El Nino* rains;
- (b) which projects have been earmarked to benefit from the *El Nino* Emergency Fund; and,
- (c) when the construction work on those projects will start.

The Assistant Minister, Office of the President (Mr. Samoei): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) I am aware that Maragwa District suffered great losses from the *El Nino* rains.
- (b) The projects earmarked to benefit from the *El Nino* Emergency Funds are as follows:
 - (i) Makutano-Murang'a Road C71
 - (ii) Makuyu-Mbombo Road D424
 - (iii) Kigumo Water Supply.
- (c) The construction work on these projects is expected to start as detailed below:-
 - (i) The rehabilitation of Makutano-Murang'a Road C71 will commence on 5th August, 2002.
 - (ii) The rehabilitation of Makuyu-Mbombo Road D424 will commence on 9th August 2002.
 - (iii) The rehabilitation of Kigumo Water Supply did commence on 4th February, 2002.

Mr. P.K. Mwangi: Mr. Deputy Speaker, Sir, tenders for more than 12 projects in the country were opened early this year. The sad thing is that none of these projects has ever commenced. They were all supposed to commence early March this year. Now that the Assistant Minister agrees that these projects have to be implemented within Maragwa District, could he tell us who are the contractors of these projects and how much is involved?

Mr. Samoei: Mr. Deputy Speaker, Sir, I do not have with me those details. As opposed to what the hon. Member is saying, that none of these projects has started, Kigumo Water Supply did start in February this year. It is already in progress. The hon. Member will do himself a great favour if he visited the project and assessed the amount of work that has already been done. I have given an indication that, on 5th August, 2002, the other project will start and on 9th August, 2002, the third project will commence.

Mr. P.K. Mwangi: Mr. Deputy Speaker, Sir, my question still remains unanswered, unless the Assistant Minister can give us the names of the contractor. He cannot say that the project will start in August, 2002, when he does not even know the contractor. So, could he tell us the contractor and the contract sum?

Mr. Samoei: Mr. Deputy Speaker, Sir, I believe that I have answered the question as asked. If, indeed, I am asked about the relevant issues as raised by the hon. Member in a substantive Question, I will answer about them.

Mr. Deputy Speaker: Could you ask the last question, Mr. Kamande?

Mr. P.K. Mwangi: Mr. Deputy Speaker, Sir, I regret that the honourable "Young Turk" has given a half-baked reply to my Question.

Mr. Deputy Speaker: Order! Order! Mr. P.K. Mwangi, there is no "Young Turk" who is answering your Question here! So, you should refer to Mr. Samoei as "the Assistant Minister".

Mr. P.K. Mwangi: Mr. Deputy Speaker, Sir, I will refer to him as such. The Assistant [Mr. P. K. Mwangi]

Minister cannot just tell us that works on the projects will commence on the 5th and 9th of August, 2002, when he does not know the contractors and how much money is involved. We should have these details clear. Since the Assistant Minister is young, he should be able to make things happen in this country.

(Laughter)

Mr. Samoei: Mr. Deputy Speaker, Sir, I quite agree with the hon. Member, who is also a Young Turk, that I should give the details of these contracts. However, I request him to bring that Question before the House, and I will answer it.

Mr. Deputy Speaker: Mr. Assistant Minister, the hon. Member need not bring a Question. He can write to you and request for the information, so that you can give him the details.

Mr. Samoei: Mr. Deputy Speaker, Sir, I can actually write to him and give him details on both the contractors and the amounts of money involved.

Mr. Deputy Speaker: Very well; let us proceed to Questions by Private Notice.

QUESTIONS BY PRIVATE NOTICE

RECRUITMENT OF KENYANS FOR NON-EXISTENT JOBS

Mr. N. Nyagah: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Labour the following Question by Private Notice.

(a) Could the Minister state whether the recruitment of 50,000 Kenyans through Al Najat Marine Shipping LCC exists and further table the terms and conditions of service for the recruits, including basic pay and related allowances?

(b) Could he undertake investigations as to the involvement of the following companies and individuals in the said recruitment:-

- Five local employment agents;
- Kenya United Arab Emirates Embassy official, Mr. Ibrahim Mohamed;
- Former Acting Director of Employment, Mr. G.H.U. Odenyo;
- Dr. Pravin Patel of Park Road Nursing Home; and,
- Mr. Mohamed Ali Pasha, a U.K. citizen and resident of United Arab Emirates.

(c) What action has he taken against the people mentioned in (b) above?

The Minister for Labour (Mr. Ngutu): Mr. Deputy Speaker, Sir, I beg to reply.

The answer I gave to this Question last time did not contain some of the information sought by the Questioner. I could not table information on the terms and conditions of service for the recruits of the cruise ship jobs. I now have a document which contains that information. With your permission, in addition to that document, I would like to table other Papers in support of the answer to the Question and also give some other details.

Mr. Deputy Speaker, Sir, you will agree with me that the cruise ship jobs recruitment exercise has raised a lot of interest both nationally and internationally. I believe that the best way to answer this Question is to table every detail we have in the form of documents, which we have prepared. If you allow me, I will table the Papers.

Mr. Deputy Speaker: Tell us the issues the Papers you have prepared address.

Mr. Ngutu: Mr. Deputy Speaker, Sir, the Papers contain supplementary information on parts (a), (b) and (c) of the Question raised by the hon. Member; they cover various aspects of the jobs offer.

Mr. Deputy Speaker, Sir, the first Paper is the report of the first fact-finding mission we sent to the United Arab Emirates (UAE) when we sensed some problems in the whole saga, while the second Paper is a report of the technical evaluation team, which I later sent to the UAE after we got information that the cruise ship jobs recruitment exercise was a hoax. The third Paper is the contract of agreement between Al Najat Marine Shipping LCC and the recruiting agent, while the fourth Paper is the power of attorney granted to the recruiting agent by Al Najat Marine Shipping LCC. The fifth Paper is a letter of agreement between Al Najat Marine Shipping LCC and Park Road Nursing Home, while the sixth Paper is a contract of employment between job seekers, Al Najat Marine Shipping LCC and the recruiting agents. The seventh and last Paper is a copy of the technical team's report, which was apparently stolen from one of our Government offices. It could have been stolen from the Ministry of Labour and Human Resource Development or from any other Government Department to which the report had been copied.

So, these are the Papers I would like to lay on the Table. I will answer any question that may arise.

(Mr. Ngutu laid the documents on the Table)

Mr. N. Nyagah: Mr. Deputy Speaker, Sir, before I even look at the documents that the Minister has tabled, could he explain why the Government took no heed after it was warned by the International Centre for Sea Piracy on 24th July, 2001 and on 15th November, 2001, that these jobs did not exist? Also, Article 2 of the International Labour

[Mr. N. Nyagah]

Convention, to which Kenya is a signatory, does not allow anybody to pay any recruitment fees to anybody before securing a job. Why did the Government not intervene on time, as opposed to crying foul in the documents the Minister has just tabled?

Mr. Ngutu: Mr. Deputy Speaker, Sir, we did not intervene, because we did not have that information. The information was sent to one of our officers, but he decided not to pass it over to his seniors. Consequently, the necessary disciplinary action has been taken against him.

Mr. N. Nyagah: What about the provisions of Article 2 of the ILO Convention with regard to recruitment fees?

Mr. Keriri: Mr. Deputy Speaker, Sir, I am surprised that the Minister tells us that although the information was available, they did not have it because it was hidden somewhere by one of his officers. There was a lot of hue and cry about the cruise ship jobs recruitment. People published articles in the newspapers, expressing doubts as to the genuineness of the recruitment exercise. Was it not a responsibility of the Government, through the Ministry of Labour and Human Resource Development, to be concerned about this matter and take appropriate action even without seeing the letter that was hidden by this officer? It is the responsibility of the Government to protect Kenyans against manipulation and cheating by foreigners. I think the Minister is passing the buck. Why did the Government not act swiftly to stop Al Najat Marine Shipping LCC from conning Kenyans?

Mr. Ngutu: Mr. Deputy Speaker, Sir, I do not agree with the hon. Member. The Government took a keen interest in the matter from the very beginning. We did all we could to find out the truth regarding the existence of the jobs. First, we tried to protect the public by questioning the payment of registration fees. If you recall, at one time I suspended the recruitment exercise, and there was hue and cry by the general public that the Ministry was stopping people from getting employment overseas. This is an indication that my Ministry took this matter very seriously. Secondly, we also sent the first fact-finding mission to the United Arab Emirates (UAE) to show commitment by the Government that we were interested to know what was happening in the whole saga.

Mr. Katuku: Mr. Deputy Speaker, Sir, from the response given by the Minister it appears he has been misled and let down by officers from his Ministry. He has also said that some disciplinary action has been taken against some of the officers. Could he tell this House who in particular misled him and this country? Secondly, could he confirm to us whether the Kenyan Ambassador or the High Commissioner to the UAE is also involved in this saga and what action he has taken against him?

Mr. Ngutu: Mr. Deputy Speaker, Sir, I have tabled everything containing all the information as pertains to what happened, who were involved and who investigated the whole saga in the UAE. The Ambassador obviously knew about it initially and he later sent somebody to Kenya to come and find out the possibilities of getting these jobs. We do not know if he had other motives. So, we do not have the evidence to attest to the question of somebody saying that he was doing something that was wrong. This is why we have said that the CID are investigating this saga and they are getting the support of the Interpol. Whoever may have committed a crime will be dealt with in accordance with the laws of this land.

Mr. Kihara: Mr. Deputy Speaker, Sir, could the Minister tell us whether the poor Kenyans who gave their money to these fake companies will be able to get it back from those who conned them? Could the Minister ensure that they get their money back?

Mr. Ngutu: Mr. Deputy Speaker, Sir, that is a difficult question. I think the question of the money being paid to the recruits will depend on the evidence that will adduced in courts of law when the suspects will be taken to court. That is the time the courts can decide who is responsible and who is liable to pay the money in question. However, it is very difficult for me to say who is going to pay. Whoever "ate" the money in this particular case will be dealt with by the law of this land.

Mr. Mwalulu: Mr. Deputy Speaker, Sir, this is a case of broad daylight robbery and the Minister is talking about a mission which was sent to the UAE. Could he tell this House what the findings of this mission were because it is a very serious matter and he seems to be dilly-dallying about it?

Mr. Ngutu: Mr. Deputy Speaker, Sir, I have said that I have got all the details in these papers and hon. Members are free to look at them. I have given everything; we have not hidden anything. They are available for you there to go through and enlighten yourselves.

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

Mr. Deputy Speaker: Order! This Question had already been answered. The Minister was merely asked to bring the terms and conditions of service and now you are converting it into a fresh Question.

Dr. Ochuodho: On a point of order, Mr. Deputy Speaker, Sir. Last time the Chair gave me an opportunity to table documents but when the Question was deferred I was told to withhold them.

Mr. Deputy Speaker: What are those documents?

Dr. Ochuodho: Mr. Deputy Speaker, Sir, they are letters which indicate that there was some communication between the Permanent Secretary in the Ministry and the Ambassador. So, it is senior Government officers who should be investigated and not the junior ones that are being talked about.

(Applause)

Mr. Deputy Speaker, Sir, as I table them, could I also be allowed to ask a question?

(Dr. Ochuodho laid the letters on the Table)

Mr. Deputy Speaker: Let me have a look at them.

Dr. Ochuodho: Mr. Deputy Speaker, Sir, I am happy to table them but the Minister should be investigated. My Question is---

Mr. Deputy Speaker: I have not given you a chance to ask any question!

(Laughter)

What are you saying that these letters indicate?

Dr. Ochuodho: Mr. Deputy Speaker, Sir, there is a note from the Permanent Secretary, in form of letters "TNA" which mean "Take Necessary Action." However, my question, if I am allowed to ask, is---

Mr. Deputy Speaker: No! What are these documents supposed to prove?

Dr. Ochuodho: Mr. Deputy Speaker, Sir, they are supposed to prove that senior officers are implicated in this saga. There has been mention of Mr. Ibrahim and Mr. Odenyo as junior officers. I am saying that senior officers are concerned or that they were involved and they need to be investigated. However, if I could be allowed to ask my question, I would appreciate.

Mr. Deputy Speaker: No!

Mr. Ngutu: Mr. Deputy Speaker, Sir, could you allow me to comment on that one?

Mr. Deputy Speaker: Order! Are these part of the documents you have laid on the table?

Mr. Ngutu: No, Mr. Deputy Speaker, Sir. We are not withholding any information at all and I have said it before very openly. Making wild allegations will not help Kenyans in this particular area. This is a very serious problem which befell Kenyans and it was not brought by us. It was brought by somebody somewhere and he must be dealt with. If any of the hon. Members has any information on this saga, he or she is free to go to the CID headquarters and record statements and also give that information to any other person in the Government. We want any information relating to this matter because we, as a Government, want to unearth any information and it does not matter where it comes from. However, it does not matter who this person is. Even if he is a senior person or myself, he will be dealt with according to the law of this land.

Mr. N. Nyagah: Mr. Deputy Speaker, Sir, it is unfortunate because the documents that the Minister has tabled are voluminous. However, be that as it may, could he explain to this House why the Ministry abdicated its responsibilities in dealing with Ali Pasha, a man that they knew, according to their own report, has never in his lifetime lived to his promise? Secondly, why did they leave the recruitment agents to deal with Ali Pasha rather than the Ministry? Thirdly, why did the Permanent Secretary's letter stopping the exercise from going on has been abused with impunity? Fourthly, I would also like to know how many people have already been affected by this exercise.

Mr. Ngutu: Mr. Deputy Speaker, Sir, it is really very difficult to say anything about the Permanent Secretary. The Permanent Secretary dealt with this matter when it came to his office according to the information he had received. As I said, I have tabled all the information and there are a lot of other areas where this matter can be discussed even further. For example, I had been called the other day to appear before the Parliamentary Departmental Committee on Health, Housing, Labour and Social Welfare. I think this matter can be discussed in detail in another forum at close range with each other so that Kenyans can be told the truth. There is nothing we are hiding!

Mr. Deputy Speaker: Order! If this matter is before a Departmental Committee of the House, that is now the end of it!

SUPPLY OF DRUGS TO MWINGI HOSPITALS

Mr. Musila: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Medical Services the following Question by Private Notice.

(a) Is the Minister aware that since October, 2001, there has been no drugs supplied to health institutions in Mwingi District?

(b) What action is he taking to ensure that drugs are delivered to these institutions?

The Assistant Minister for Health (Dr. Wako): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am not aware that health institutions in Mwingi District have not been supplied with drugs since October, 2001.

(b) The Ministry will ensure that health institutions in Mwingi District continue to receive drugs on a regular basis as they become available at the Kenya Medical Supplies Agency (KEMSA).

Mr. Musila: Mr. Deputy Speaker, Sir, first of all, I have not received a written reply from the Assistant Minister as it is the practice. Nevertheless, I believe you heard the arrogant manner in which this Question was answered. If, indeed, he says he is not aware, it is a fact that drugs have not been supplied to health institutions in Mwingi District since October, 2001. I have got this information from the officials of the Ministry because there is an acute shortage of drugs in health institutions in the district. Could we ask him to go and find out more details if he is not aware because that is a fact?

Dr. Wako: Mr. Deputy Speaker, Sir, I am aware that between October, 2001, and February, 2002, 33 sets of dispensary kits and 17 sets of health centres kits were received and distributed to health facilities in Mwingi District. I am aware that these supplies have been distributed to health institutions.

Mr. Katuku: Mr. Deputy Speaker, Sir, on the one hand, the Assistant Minister has said that he is aware that drugs have been supplied and on the other, the hon. Member representing the area has said that drugs have not been supplied to health facilities. Would the Assistant Minister be kind enough to prove to this House that what he is telling us is true because we would want to believe the hon. Member? If it has been done, is that sufficient?

Dr. Wako: Mr. Deputy Speaker, Sir, yes, I can prove that because I will table the list of health kits and dispensary kits which have been supplied since October, 2001, and the supplementary drugs which have been supplied since that time to April, 2002. As to whether the drugs are sufficient, I would say that, yes, they might not be sufficient because the Ministry does not receive enough financial support for the supply of drugs. We only receive a quarter of our requirements.

(Dr. Wako laid the document on the Table)

Mr. Ndicho: Mr. Deputy Speaker, Sir, I now understand why we have problems in Thika District Hospital. I have also been told by the MOH in Thika that she has been receiving patients from as far as Mwingi, Kitui and Machakos districts. Could the Assistant Minister confirm or deny that the reason why we have so many patients in Thika District Hospital is because the outlying districts have not received their medical supplies? Thika District Hospital receives data from eight districts; Kiambu, Murang'a, Mwingi, Kitui and others. That is why they are also saying that Thika District Hospital is leading in HIV/AIDS cases. Could he confirm or deny that, that is not the position?

Dr. Wako: Mr. Deputy Speaker, Sir, the hon. Member should be thankful because Thika District Hospital acts almost like a referral hospital for the areas which surround Thika. It has most of the specialists and that is why it receives patients from many places.

Mr. Musila: Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for highlighting and admitting that they have only been able to supply a quarter of the requirements of drugs to Mwingi District. As we speak, health institutions in that district have no drugs and patients are dying for lack of medicine. Could the Assistant Minister agree to make an inspection tour, accompanied by me, to the Mwingi District Hospital and the outlying health institutions, to confirm that there are no drugs in Mwingi District?

Dr. Wako: Mr. Deputy Speaker, Sir, the hon. Member is already aware that we have been visiting Mwingi and if need be, we will visit it again. But about the drugs, the Ministry will receive the consignment from the Crown Agents for 2001/2002 and soon, they will be supplied to all districts in the country.

Mr. Deputy Speaker: Next Question by Mr. Mwenje!

REMUNERATION OF CKRC MEMBERS

Mr. Mwenje: Mr. Deputy Speaker, Sir, I beg to ask the Attorney-General the following Question by Private Notice.

(a) In view of the serious allegations and counter-allegations about the reasons for requesting extension for the Constitutional Review of Kenya Commission term, a matter that threatens to hamper the completion of the review process as scheduled, could the Attorney-General table the earnings of the Members of the Commission, inclusive of salary, allowances and benefits?

(b) How much of this has been contributed by donors?

Mr. Deputy Speaker: I will defer this Question because the Attorney-General is absent.

Mr. Mwenje: Mr. Deputy Speaker, Sir, this is the second time this Question is coming up. The Attorney-General himself promised to reply to this Question the following Tuesday. Since then, three weeks have gone and the Attorney-General has not bothered to answer it--

Mr. Deputy Speaker: Order! Order! Either you want me to defer this Question or you are asking it to nobody!

Mr. Mwenje: Yes, but could you censure the Attorney-General or we have a Deputy Attorney-General?

Mr. Deputy Speaker: Have you heard me do that before? That is not my responsibility. The Question has been deferred to Tuesday next week.

(Question deferred)

Next Question, Mr. Thirikwa!

Mr. Thirikwa: Mr. Deputy Speaker, Sir, I know you are going to defer the Question because the Attorney-General is not in.

Mr. Deputy Speaker: But I must give you an opportunity to ask it!

DOUBLE REGISTRATION OF VOTERS

Mr. Thirikwa: Mr. Deputy Speaker, Sir, I beg to ask the Attorney-General the following Question by Private Notice.

(a) Is the Attorney-General aware that the Electoral Commission of Kenya has registered over 266,000 voters twice?

(b) What action is he taking to ensure that their names are deleted from the voters' registers?

Mr. Deputy Speaker: Again, like the previous Question, this Question will be deferred to Tuesday next week.

(Question deferred)

Mr. Thirikwa: On a point of order, Mr. Deputy Speaker, Sir. Three weeks ago, you did allow me to rise on a point of order regarding a matter I raised in this House through a Question by Private Notice---

Mr. Deputy Speaker: Order! Order! Are you rising on a point of order after Question Time?

Mr. Thirikwa: Yes!

Mr. Deputy Speaker: But I have not declared that Question Time is over!

Next Order!

MINISTERIAL STATEMENT

COMPENSATION TO TRAIN DISASTER VICTIMS

The Assistant Minister for Transport and Communications (Mr. Lengees): Mr. Deputy Speaker, Sir, last week on 3rd July, 2002, I promised to table the names of law firms which are representing the Athi River train accident victims, the names of the victims and the beneficiaries. So, I take this opportunity to lay this document on the Table.

(Mr. Lengees laid the document on the Table)

POINTS OF ORDER

COMPENSATION TO MR. WALLACE GICHERE

Mr. Ndicho: Mr. Deputy Speaker, Sir, although the Attorney-General is not in, I wish to invoke the rule of collective responsibility to ask for a Ministerial Statement from the Attorney-General about a gentleman by the name

Wallace Gichere, who is currently on hunger strike outside the Attorney-General's Chambers and he is claiming compensation that was awarded to him through negotiations between the Attorney-General and his lawyer on 27th March, 2001. The Attorney-General agreed to work out some figures and pay this gentleman. It is a very big shame for a Kenyan to be on hunger strike owing to the Government's failure to meet its obligation. I am asking the Attorney-General to tell this House and this country why he has reneged on his promise to pay this man. This man should be paid all his dues so that he does not die outside the Attorney-General's Chambers.

AFRICAN TRIBUNAL COURTS
IN KITUTU MASABA

Mr. Anyona: Mr. Deputy Speaker, Sir, I beg to request for two Ministerial Statements. The first one concerns the Office of the Vice-President and Ministry for Home Affairs, Heritage and Sports. When I first came to this Parliament in 1974, there were two African tribunal courts in Kitutu Masaba, one called Manga and the other one Gesima and we thought the two courts were too many. We made a request to the Attorney-General to transfer Manga to Nyamira and Gesima to Keroka so that we would use Manga for the rehabilitation of children, and Gesima for a dispensary, which the then Attorney-General, hon. Njonjo, did. We then fenced off Manga and planted trees, which has been the story in this House recently. That project has stalled ever since then. Recently, I raised the issue regarding what arrangements were being made to implement the Children Act. Hon. Osundwa, in answering the question, said there were two centres in Kenya, one in Nyamira and another one in Thika. He did not know where the Nyamira one was, but I did bring it to his attention that this was supposedly the former Manga African Court. I then did ask him to tell us how much money they had set aside for the project. He said he was not sure and that he would find out later. Unfortunately, this saga of the cutting down of trees then came in. It was answered here the other day and it is still pending. The DC, Nyamira, in order to cover up all these things, has been going round that area confusing the public that the reason I am raising the question of the cutting down of trees is because I am against the project. On Sunday you may have seen a story at the back of the *Sunday Standard* where they said there was a demonstration. What happened is that the DC went and gave Kshs1,000 to whoever was prepared to sign and say that he was innocent. Could the Minister state categorically how much money they have set aside for Manga Children's Rehabilitation Centre?

Mr. Deputy Speaker: Is that a request for a Ministerial Statement? That is a question!

Mr. Anyona: I had asked a Question and he said that he was not aware and that he would like to get the figures. I would now like to get those figures because the matter is being confused.

Secondly, could he now state categorically when the project will start? Could the Minister also visit the project to assure the people that the propaganda and confusion by the DC is not true so that the project is saved from collapse?

DEMONSTRATORS FROM KITUTU MASABA

The second issue is a very sad one. I normally come to Parliament Buildings quite early, but yesterday I came here at about 1.30 p.m. When I got to the Library, I heard a story that some women purportedly from Kitutu Masaba had been demonstrating at the gates of Parliament with regard to their funds. When I tried to find out where they were, I was told that they were rounded up and taken to Central Police Station. This is a very sad incident because our people in Kitutu Masaba never do things like that. I want to know the following from the Minister in the Office of the President: What is the identity of these women? Where did they come from? Who are they? In what circumstances did they find themselves at the gates of Parliament? Who was behind the arrangement and organisation of bringing these women here? Finally, because I know the politics behind this, I would like to know the role, if any, of the Member of Parliament for Nyaribari Chache and his colleagues in this matter.

In order to be transparent and to assist the Minister to bring out the truth, I want to tell him that in 1997, all Kisii Members of Parliament came together. We went throughout Kisii in every constituency and raised funds for different projects. In our place, we raised the money for youth and women. We raised our money and it was put in the bank by the women. It is still there. Some people including my hon. friend---

Mr. Deputy Speaker: Order, Mr. Anyona! You are now not requesting for a Ministerial Statement. You are making one yourself!

Mr. Anyona: My point is this: Could the Minister investigate this matter and come up with the truth of this story of women purportedly from Kitutu Masaba demonstrating out here? I want to give the Minister the account

number to help him investigate. The number is 104-060-387 (8203), National Bank, Kisii Branch.

Mr. Deputy Speaker: Thank you. Mr. Thirikwa.

HIGH RATE OF BRUCellosIS INFECTION

Mr. Thirikwa: Mr. Deputy Speaker, Sir, three weeks ago I raised a matter here regarding the outbreak of Brucellosis in one of the locations of my constituency. The Minister did agree that he would investigate the issue and report back to the House. It is now three weeks since then and he has not reported to the House. Could I request the Minister to tell me the position because he is present now?

The Assistant Minister for Health (Dr. Wako): Mr. Deputy Speaker, Sir, it is true that the Ministry undertook to investigate the matter. Investigations have been done and samples of blood from different areas which he mentioned have been taken to KEMRI and we are waiting for the results. As soon as we get the results, we will bring them to this House.

The Assistant Minister for Health (Dr. Wako): Mr. Deputy Speaker, Sir, yesterday Mr. Sambu wanted to know about the malaria epidemic in Rift Valley and Western Kenya. We agreed that we would bring that Statement this afternoon. I would like to beg the indulgence of the House that we bring it tomorrow afternoon so that we can carry out investigations and make a comprehensive list.

Mr. Deputy Speaker: Thank you. Tomorrow afternoon then.

The Assistant Minister for Agriculture Rural Development (Mr. Sumbeiywo): Mr. Deputy Speaker, Sir, there was a Question asked by Mr. Muiruri sometime in April and the Speaker deferred it. We were told to bring the answer to the House, but when we did so the Questioner was not present at that time. I have discussed the Question again with Mr. Muiruri and we agreed that it can be put on the Order Paper on Wednesday next week, then we will answer it.

Mr. Deputy Speaker: There is no need to put that Question on the Order Paper. You were merely required to produce some documents, among them the title deed. That does not require the Question to be put on the Order Paper. You should produce those documents on Tuesday next week and you will have then discharged your responsibility.

The Assistant Minister for Agriculture and Rural Development (Mr. Sumbeiywo): That will be done, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Thank you. Next Order!

MOTIONS

BILL TO PROVIDE FOR LIBERALIZATION OF POWER GENERATION

THAT, this House do grant leave to introduce a Bill for an Act of Parliament entitled The Electric Power (Amendment) Bill to allow for micro-hydroelectricity power in the rural areas and liberalisation of power generation.

(Capt. Ntwiga on 3.7.2002)

(Resumption of Debate interrupted on 3.7.2002)

The Minister for Energy (Mr. Raila): Mr. Deputy Speaker, Sir, I was responding, on behalf of the Government, and I was in the process of saying that the Government is in principle not opposed to this Motion because it is seeking what the Government is already in the process of implementing. I did say that we would introduce an amendment to this Motion. I have consulted with the Mover of the Motion, Capt. Ntwiga, and he has no objection to us introducing an amendment which achieves the objectives of this Motion. Therefore, I am proposing the following amendment: that, the Motion be amended as follows: by deleting all the words appearing after the word "House" on the first line, and substituting the following words in place thereof:-

"---urges the Government to urgently introduce appropriate amendments to the Electric Power Act to allow for full liberalisation of the power generation, transmission and distribution."

As you know, the Government has made very substantial liberalisation of the power generation and transmission. We started first by delinking generation from transmission; the Kenya Power and Lighting Company (KPLC) was divided. We created the Kenya Generation Company (KenGen) and Kenya Power and Lighting. So, KenGen is responsible purely for generation, and the KPLC is responsible for transmission and distribution. By doing

so, several Independent Power Generation Companies (IPPs) have come up. We now have four IPPs who always generate and sell their power to the KPLC. Each transmits and distributes power.

So, this Motion is talking about what we call mini-hydros. These are small units that are put on the rivers and generate power. The mini-hydros are very popular in a number of countries, particularly in the remote areas where there is very little economic activity and where, therefore, it is not justifiable to take it to the national grid. These are called Stand Alone Systems which can generate power, and this power is used for small villages and towns. We have no objection because these are just like stand-alone generators, and we have a number of them in buildings and towns. They are used for emergency purposes when there are power cut-offs and so on.

Right now, we want to remove the monopoly of distribution from the KPLC so that we create and delink transmission from distribution, so that several other companies can come up and take up the distribution work. If we do this, there is going to be competition at that level of distribution. This is the purpose of the comprehensive amendment of the Electric Power Act, which is currently being undertaken by the Government.

Let me say something about the Rural Electrification Programme (REP) itself. I did say that the Government is very committed to the REP. This is because this is one way of generating economic activities in our countryside. This is one of the ways of fighting poverty in our rural countryside because if you take electricity to the rural villages, it triggers off a lot of economic activities in those rural areas and *jua kali* industries spring up. Very many other factories can spring up in the rural areas, but we have a problem. This is a problem of deviating from the neo-liberal philosophy of the market. We cannot apply the mechanism in the REP because REP is an infrastructure; it must be treated as an infrastructural development. This is because it is very expensive and the return on investments is so slow that, economically, if you apply purely market criteria, most of them would not be justifiable. This is because you will not get a return on your investment even in 50 years.

So, that is the reason why the Government wanted to travel the route which has been followed by some other countries. I recently attended a conference in Casablanca, in Morocco, which was a US-Africa Energy Conference. In the course of our discussions, we discovered that a number of other African countries have also adopted a policy of treating the REPs as part of the infrastructural development. They have created independent institutions to deal with them. Our proposal is to remove REP from commercial activities or operations of the KPLC, to create an independent institution which will be provided with funding to be able to roll out these REPs in most of our rural countryside.

At the moment, we have a programme running, which is funded by the Spanish. We also have another programme funded by the French. There is the EU programme which is basically meant for funding of the coffee factories. We are currently negotiating with the Chinese Government to provide us with the cheap line of credit to enable us to undertake the REP. This programme is spread out, and we want to cover the entire countryside in this programme. We are also going to encourage Stand Alone Systems like the one which is being proposed by Capt. Ntwiga.

Mr. Deputy Speaker, Sir, we are also looking at others. For example, we are looking at solar. We are also looking at wind. We have now completed the national wind atlas which tells us that Marsabit, which is remote and where we have very little activities, has got the highest wind potential. We can generate up to nearly 300 megawatts from wind in Marsabit. We have already some German companies which are interested. They have been to Marsabit and we are working together, and we want to encourage these kind of investments. Turkana is second to Marsabit and Coastal areas, Kwale and up north towards Malindi. Those are areas where there is great potential for the development of electrical energy through wind.

There are also others - renewables like biomass and so on - which the Government is encouraging. Therefore, the Ministry of Energy is comprehensively reviewing the entire electric generation sector.

Our national conference is going to be convened soon. The task force has already prepared a comprehensive amendment to the Electric Power Act which will be introduced here by the Minister in due course. That is the essence of this amendment. It is not that we are trying to kill the Motion. We are doing this because we think that, that is one way of trying to help our people who live in the rural countryside, and we think that if we travel this route, we would meet the requirements and needs of Capt. Ntwiga.

With those remarks, I beg to move, and Mr. Okemo will second it.

The Minister for Energy (Mr. Okemo): Thank you very much, Mr. Temporary Deputy Speaker, Sir. I stand up to second the amendment to the Motion without having to repeat what my colleague has just said. I wish to emphasize that as part of the reforms in the energy or power sector, generation, transmission and distribution have been separated and they are under two companies, KenGen and KPLC. On the generation side, of course, the IPPs have been introduced which is an element of opening up that sector to competition. So, the IPPs are competing with KenGen for generation.

As far as transmission and distribution are concerned, at the moment we have a monopoly in the name of KPLC. As my colleague mentioned, this is now under intense restructuring and we will be opening it up to

competition, both transmission and distribution. At the moment, we have a market power design study which is under preparation. As a result, we will be ending up with proposals to privatise and liberalise the distribution and transmission network. In fact, Capt. Ntwiga's Motion is restrictive, and the amendment seeks to make it more wide and open, because it is only restricting itself to mini and micro-hydro projects, but the amendment seeks to open up generation to include wind, solar and other renewable sources of energy.

With those few remarks, I beg to second the amendment.

(Question of the first part of the amendment, that the words to be left out be left out, proposed)

Mr. Mwakiringo: Thank you, Mr. Deputy Speaker, Sir, for this opportunity to support the Motion. It is the Government's responsibility to supply electricity to rural areas, and to have brought the amendment to the Act a long time ago. The Government should not wait for hon. Members to bring such amendments only for them to say that they were in the course of bringing them to the House. The Government should come up with such Bills so that it can be seen to be effective.

Mr. Deputy Speaker, Sir, there is an influx of many Kenyans to the urban areas, most of whom are qualified in panel beating because they in the *jua kali* sector, but cannot access electricity in the rural areas. They, therefore, come to the urban areas to earn a living through their professions. There are a lot of resources in our country which have not been fully identified and researched on. I am talking in terms of the hydro-generating sector, like the Mzima Springs. This is an area which can be used to generate power, and at the same time use the same water for human consumption. When our Committee visited Australia, we found out that pipes like the ones used at Mzima Springs can be used to generate electricity by switching on the generators and then releasing the water back to its course to reach the people it is supposed to serve. We have quite a number of streams and permanent rivers which we can utilise to generate a lot of energy.

Mr. Deputy Speaker, Sir, we should liberalise power generation, distribution and transmission as the Motion seeks. We should not be in a hurry to invite IPPs when we have a crisis in terms of shortage of electricity. We should encourage private investors to generate and transmit electricity, and whatever they spend in installing their generators and other machines should be tax deductible. Private investors should be protected in order to compete effectively with Government-owned companies. In Australia, for example, the Competition and Consumer Commission has been set up to ensure that there is healthy competition with Government owned power generating companies. If that is effected in Kenya, it would attract a lot of investors in the power sector.

Mr. Deputy Speaker, Sir, there is a lot of wind potential to generate power as the Minister has rightly said. Research has revealed that in Kenya, we have about seven areas where we can attract and tap wind for power generation. When we toured the Netherlands, we saw many windmills along the sea shore. I am sure, with a good research unit in the Ministry we can generate a lot of energy along the Indian Ocean from Mombasa, Kilifi, Malindi and Lamu. Many windmills can be installed along the sea shore to generate power. These windmills should be constructed near the power lines for easy connection to the national grid.

Mr. Deputy Speaker, Sir, we should also liberalise power distribution per town, so that there are more operators in this sector. There are a lot of windmills in Mombasa, Wundanyi, Turkana, Ngong Hills and Samburu. These are areas which have already been identified for windmill power generation, but, unfortunately, our own Government could not access this information despite the fact that research was done in our own country. It is high time that whatever is happening in terms of research, our Government and the Ministry are fully informed of its outcome. The research is not expensive as such and, therefore, this can be done by private companies if the Government cannot be in a position to do it. It costs about 15,000 to 20,000 Australian Dollars in mapping areas where there is potential for windmills. In Australia, for example, one windmill could service 1,250 households. This translates to a big area. Now that we have quite a number of areas identified, our country can be fully covered by electricity if these measures are put in place.

Mr. Deputy Speaker, Sir, liberalization is important, but it must come with its clauses to safeguard the interest of Kenyans. We should borrow a leaf from the developed countries so that the Government owns 50 per cent shares in whichever company that wants to carry out wind generation, transmission or distribution. That way, we would have a fair supervision of the company in order to get profit from those companies.

Mr. Deputy Speaker, Sir, a lot of water from Mzima Springs is wasted because out of the 300,000 litres of water which flow per minute from those springs, only 20,000 litres of water are tapped and flow in a pipe to Mombasa. This leaves 280,000 litres of water to flow to waste per minute. We can generate five to ten megawatts of electricity which can be used in Voi, Mtito Andei and some parts of Eastern Province if we create artificial waterfalls along that

river. Therefore, we can generate electricity by creating an artificial water fall. We can also generate electricity by diverting water which flows to Mombasa to turn a turbine. We also have a lot of water in Athi and Tana Rivers. We can create artificial waterfalls, or micro-hydro power generating stations to generate power, which can serve small villages where those rivers pass.

It is important that we are focused so that we do not experience power shortage like it happened last time. People took advantage of that shortage to make money by allowing a few private firms to import generators to generate power and charge Kenyans exorbitant prices. If we generate enough electricity in this country through windmills and water, it would become a cheap commodity for Kenyans. This would also enable us to industrialise.

Mr. Deputy Speaker, Sir, I beg to support this Motion.

Mr. Deputy Speaker: Hon. Members, I think for the better management of this Motion, I will put the Question on the proposed amendments and then we can debate the amended Motion.

(Question of the first part of the amendment, that the words to be left out be left out, put and agreed to)

(Question of the second part of the amendment, that the words to be inserted in place thereof be inserted, proposed)

(Question of the second part of the amendment, that the words to be inserted in place thereof be inserted, put and agreed to)

(Question of the Motion as amended proposed)

Prof. Anyang'-Nyong'o: Mr. Deputy Speaker, Sir, I rise to support the Motion and congratulate the two "Medium Turk" Ministers who have proposed the amendment and supported it.

One of the things which is extremely important to note is that, at the moment, power is a very expensive commodity in Kenya, both for the private consumer and for business. The cost of business in Kenya is high as a result of the high cost of energy. This is precisely because there are tremendous structural inefficiencies in the Kenya Power and Lighting Company (KPLC). These lead to seepage of electricity and transferring the cost to both the private consumer and business. So, I do believe that the full liberalization called upon by the two Ministers is something which is overdue.

[Mr. Deputy Speaker left the Chair]

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

Secondly, it is important that we have a proper divestiture law in this country to ensure that the liberalization and privatisation of the energy sector takes place legally and properly. I have proposed a divestiture law in this House and the Motion is still pending before this House so that the Bill on divestiture could be introduced. But I am also informed that the Government is working on a divestiture Bill, which should come to the House first before we debate the other laws on liberalization and privatisation.

Thirdly, the Minister for Energy, Mr. Raila, said that rural electrification cannot be subjected to the philosophy of the market; that the market should fix demand and supply. I do agree with him. One of the things that has been problematic in this country is that we undermine our financial development institutions like the Industrial Development Bank (IDB) and Industrial and Commercial Development Corporation (ICDC). These financial institutions were meant to finance these projects. I now notice that the Government is trying to revive the Agricultural Finance Corporation (AFC) after it suffered a lot of financial difficulties. It is important that if, indeed, we will have rural electrification, it will not be subjected to the philosophy of the market; that we develop a proper development financial institution to support rural energy marketing and distribution. In order to do this, we must have what we might call a "DFI" that has a booster or venture capital for small-scale energy producers who will supply energy in the rural areas.

At the moment, there is a Kenyan entrepreneur, Eng. Oingo, who has been trying to develop a hydro-electric

plant on River Yala for the last five years. This engineer has not gone far because of too many regulations and impediments on his way. There is something we call "Environmental Impact Assessment Study." Every entrepreneur is supposed to undertake this study, which costs a lot of money. I would like to inform the Government that the Environmental Impact Assessment Study is a study which it should carry out. If an entrepreneur proposes a project, the Government should go there, undertake an Environmental Impact Assessment Study and tell that particular entrepreneur what is good and bad about what he or she is doing. The entrepreneur should not be subjected to undertake this study because it just adds up to the high cost of business transaction in this country.

The project on River Yala, which could supply about 13 megawatts to the Central Power Grid, has been frustrated for the last five years because of these regulations and impediments, which we hope will be removed by the liberalization law. It is very important that the Government takes this particular issue very seriously.

Thirdly, you do know that there are technologies available all over the world to assess how much a consumer of electricity should pay. This is equivalent to the scratch card we use in our mobile telephones. The idea of the KPLC sending people inflated electricity bills could be eliminated if we introduced what works in Tanzania very easily. Consumers should go and buy a small gadget for a certain fee, which they would fix on their consumption unit. When they have exhausted the amount of money in the gadget, they buy another gadget and fix it again. This will enable the consumers to get hold of the costs of their consumptions. This will empower the consumer. At the moment, the KPLC is a "terror" to the consumers. The KPLC technicians come, read the bills at odd hours of the day and night, go and send them to you. You have no say whatsoever when the electricity bill is inflated. Indeed, the business community has run away from this country because of the "terror" of the KPLC.

Mr. Temporary Deputy Speaker, Sir, if indeed, we will encourage both development in the rural areas and more investment in our business sector, the cost of energy should be reduced. This cost can only be reduced if, as Mr. Raila and Mr. Okemo have said, there is real competition in the market, both in terms of electricity generation and distribution.

There is another aspect I would like to speak about. In the distribution of electricity, it is important that for quite sometime, we have a central distributing unit supplying power to the national grid because of the very nature of energy. This will enable small suppliers to sell their energy to a central supplying unit. In this case, the KPLC will still play a very prominent role in distribution of electricity. But for the KPLC to be fair to other small power producers, in its management, it should not be a monopoly of the Government and a few elements in the private sector who keep away these suppliers from saying the mode of business transaction they should have with it. What I am saying is that when this Bill comes to the House, let us know for sure whether the KPLC will be streamlined on how it is run, the fixing of prices and, indeed, what will happen to its liabilities. Recently, we heard that the KPLC is so much in debt, that it is almost being declared bankrupt. If, indeed, the KPLC will still play a central role because of the very nature of energy distribution, these are some of the things that should be ironed out well ahead of time.

Mr. Temporary Deputy Speaker, Sir, one other thing that we must note is that at the moment, there is an appearance of stability in the financial market. Interest rates are not going up, and there is not much flippancy in the management of the monetary sector. But there is no business going on. Banks cannot lend money. If you cannot lend money, then the best thing to do is to attract the borrower by bringing down the interest rates. The fact that interest rates are relatively low does not mean the economy is healthy. It only means that there is no business going on. The banks are falling over backwards to try and lend to the Government because the Government is the only broke entity in this area. You can see from the Budget Speech what a cut-and-paste business the Government is doing. Because the Government does not have the donor funds in the Budget, it will borrow domestically once more. Banks, such as the Barclays Bank of Kenya and the Standard Chartered Bank, are falling over backwards to lend to this Government because it has to borrow domestically.

But a time will definitely come when this law will come into effect and the energy sector will be liberalised. We hope that this time will come and, indeed, when there will be change in the Government, and some more responsible people like ourselves will be sitting on the other side, and this economy will be revived and business will start picking up. That is when the crunch will come because then interest rates will go up and the money market will have to be very competitive. It is, therefore, important that before that comes, and it is in the interest of all Kenyans, all this liberalisation and privatisation laws be regularised, so that when that comes, the market will, indeed, be able to respond to those pressures.

Finally, it is extremely important that we look at why all these things are so messed up. It is totally not true that rural people cannot pay their bills. It has been proved over and over again, that small-scale entrepreneurs and peasant farmers are very good at paying their bills. They have this peasant consciousness of never being in debt. So, it has been proved that they can pay their debts. Once you have a system of supplying electricity in the rural areas, and a technology through which people can pay their bills fairly, the rural people will definitely pay their bills and there will be a lot of business there. What we need is a development financing institution that can be prepared to invest in

electricity distribution in the rural areas, and can then present people with bills for already supplied electricity, and they will pay the bills. But at the moment, to expect peasants in the rural areas to collect Kshs800,000, as they wanted us to do in Vata for electricity you do not know when it will be supplied, is something that will not happen. Electricity must first be supplied and then the rural folks will buy it. But the idea that the rural folks must be responsible for supplying electricity before they buy it is wrong and should stop.

With those few remarks, I beg to support.

The Assistant Minister for Labour and Human Resource Development (Mr. Chanzu): Mr. Temporary Deputy Speaker, Sir, thank you for giving me an opportunity to contribute to this Motion as amended.

For this country to industrialise, as has been contemplated, we must have enough energy. This Motion as amended, will play a very important role in our economic growth. If we generate enough electricity, then it should be equitably distributed. In the past, there has been concentration of energy in some areas at the expense of others. That should not be the case now. This country is endowed with many rivers. For example, in Nyanza Province, we have the Nyando River, and in Western Province, we have the Nzoia River, which traverses the Rift Valley Province. We have other rivers such as Athi, Tana and Ewaso Nyiro. I am sure that if measures were put in place to generate hydro-electric power along these rivers, we would generate more energy than we require in the country.

Recently, we had a power crisis and I hope we all learnt a lesson from that experience. It is important that we support this Motion as amended, so that we can liberalise the energy sector and provide adequate power for our economy. At the moment, hydro-generating plants, except one, are concentrated in one area. This can be disastrous if rains fail in that particular area, as was the case about two years ago. It is important that when we are looking into the issue of liberalising the energy sector, we should also look into this issue, so that we do not concentrate hydro-electric generating plants in one area. Dams should also be constructed, so that any little water that flows can be retained and used to generate power. I also recommend that we should take into account the construction of dams along most of our rivers so that we can retain rain water. There are many advantages that would accrue from liberalisation. They stem from the fact that there will be competition and in the long run, electricity will be cheaper. The Motion, as amended, is very timely and we should support it.

Mr. Temporary Deputy Speaker, Sir, we have mentioned the Independent power producers (IPPs). It is only unfortunate that most of the IPPs came in at a time when there was a power crisis and because of the crisis, they tended to be more costly than was contemplated. For those IPPs who are still running on the contracts which were entered into during the time of power crisis, it is important that such contracts are reviewed so as to put them within the current cost limit which wananchi can afford.

The other issue that I would like to comment on is the separation of KenGen from the KPLC. This was a move in the right direction, but there is need for the Government to look into ways of resolving the issue of the huge amount of money owed to KPLC, which arose from the expenses which were incurred on projects which were undertaken earlier on, and also out of the separation exercise. This will enable the KPLC to also operate competitively in a liberalised environment.

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

Mr. Muite: Mr. Temporary Deputy Speaker, Sir, it is very encouraging to see the Government support this Motion. This Motion is very timely and it should have been brought here earlier. I am also very pleased to see that hon. Raila, the Minister for Energy, is bringing the same energies to the Ministry of Energy as he was exhibiting when we were working together during the days of mass action. It is good that he is directing the same energies to the Ministry, and that is very good.

Mr. Temporary Deputy Speaker, Sir, the trend all over the world; the thrust of the trade, is to go down to smaller units of generating power because it is more economical, even in terms of distribution. If you go to California or many states in the United States of America, the trend is towards smaller generating units. They are easier to manage and they are cheaper. So, this Motion could not have been more timely than it is. I hope that when the leave of this House is granted, and I think it is going to be granted, the Government must bring this Bill as quickly as possible.

Mr. Temporary Deputy Speaker, Sir, the cost of energy in this country is absolutely and unacceptably high. Even in terms of consumption, the average household is paying very high bills for electricity because of a number of factors, which include the mismanagement of the Kenya Power and Lighting Company (KPLC). So, if we liberalise, there can be no doubt that the cost of energy in this country will come down for the benefit of consumers. But when we look at the issue of agriculture, we are uncompetitive because if we are going to continue irrigating floriculture, coffee and horticulture, and the cost of energy being what it is, then we shall continue to be uncompetitive. Just imagine the amount of money one would generate by bringing down the cost of energy by even 25 per cent.

For the industrial sector, it is even worse. One of the reasons why the manufacturing industry cannot compete effectively is because of the cost of energy in this country. So, when we are talking about poverty eradication and resuscitating the economy, this is one of the issues that the Government should have picked on in the Budget as a

policy matter, in terms of strategies and in terms of ways and means of lowering the cost of energy. You cannot resuscitate the economy in this country without bringing down the cost of energy in this country. Those are the policies that the Government should have created even in the Budget. So, I urge that when the leave we are seeking is granted by the House, that Bill should be brought here as quickly as possible and we establish the mechanism of licensing without the bureaucracy as quickly as possible, so that as many individuals and companies as possible can get into generation of electricity; so that competition can be experienced so that industry, agriculture and consumers can benefit. The only role that the Government should play in all these is to ensure that in the distribution, since electricity is a dangerous commodity, safeguards are in-built in the generation and distribution of electricity. That is what the Government should concentrate on.

If you find out what is going on in the rest of the world, South Africa, for example, has genetically engineered some trees that will grow in four years and provide electricity poles for distribution purposes. There are people in this country who are now importing those poles from South Africa. Why can this Government not come up with the policy of encouraging the dissemination of this information about those trees that can grown so easily in this country, so that we grow those posts in this country instead of importing them from South Africa? It is a shame that as we are importing those poles from South Africa, we are still talking about importing electricity from there as well. If it is cheaper, then we could import it. But I am quite convinced that if we were to liberalise the generation of electricity in this country, we would be able to generate electricity at lower costs than the cost of buying power that is coming all the way from South Africa.

Mr. Temporary Deputy Speaker, Sir, there is no reason as to why we cannot co-operate more within the East African region in terms of power generation. The amount of power that is lost in terms of transmission when you are transmitting electricity is enormous. It means that all these losses are passed on to the consumer. So, I do urge that we give priority to this Bill and we move on, so that the fruits of lower cost of energy can be realised.

With those remarks, I beg to support.

Mr. Omamba: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Motion.

Mr. Temporary Deputy Speaker, Sir, I would like to associate myself with the comments made by my colleagues. In my area, we have waterfalls like the Gogo Falls. We should generate more power from the present Gogo Falls to irrigate the land lying fallow. If more electricity was generated from there, it would enable people to irrigate the land and grow much cotton.

We have land lying fallow at Macalder Nyanza Mines. In that mine, there is no electricity because the poles are rotten and destroyed. But near Gogo, there are huge tracts of land lying fallow. That land should be developed so that we can grow cotton and purchase machinery like ginneries. That would create employment for our people in that part of the country. If we construct factories there, our farmers can get market for their crops. A branch of the Kenya Meat Commission (KMC) should also be put up in that area, so that meat is made available to those working in the factories. By so doing, farmers can improve their lot in the rural areas.

With those remarks, I beg to support.

Mr. Kibicho: Thank you very much, Mr. Temporary Deputy Speaker, Sir. I rise to support this Motion.

Mr. Temporary Deputy Speaker, Sir, there is no life on earth without the preservation of the environment. In this country, we are destroying the environment in terms of getting energy and we cannot get sufficient energy. We can only reverse this trend if electricity is accessible to every Kenyan. It can only be made accessible to every Kenyan if it is made cheap. But the way it is now, and the way the KPLC operates, there is no possibility of power being cheap in the future. The market should be open to other players through liberalisation. The Kenya Power and Lighting Company enjoys monopoly of distribution of power today. If Kenyans were to be allowed to set up micro-electricity projects, power will be easily accessible.

I wish to give an example of a small river called Rwamuthambi in my own constituency. We have invited people from New Zealand and they have made feasibility studies. They have concluded in a written document that, that particular small river, which has got about five dams, is capable of producing 750 KW of power. I am sure the Minister has had that report called Kirinyaga Micro-Electricity Project. It is not possible to undertake that project with this closed shop. So, this law must be changed.

Kenya Power and Lighting Company (KPLC) has let Kenyans down in a manner one cannot enumerate. The KPLC continues receiving deposits from people and it does not connect power to those who have paid deposits. They continue carrying out surveys and they do not even connect any power because they are monopolies. If they were subjected to competition, they would have thought twice because they would know that business would go elsewhere.

Mr. Temporary Deputy Speaker, Sir, cheap power is a key to industrialization. If Kenya continues to have power which is expensive as it is today, the cost of goods will continue being very high, as they are today. So, this is a very timely Motion and, indeed, I support the speakers who had said earlier that, the Government ought not to have

waited until an hon. Member brought this Motion to the House. They ought to have foreseen this situation and come up with a proposal of this nature, even before an hon. Member thought of bringing it to the House.

Mr. Temporary Deputy Speaker, Sir, I must also echo the words of a speaker who contributed earlier on, and said Kenya should think twice before it imports any electricity from South Africa or from any other country. The Government of President Kenyatta decided to develop the Seven Forks Dam Project around Tana River because a leader in Uganda had threatened to switch off the power from Uganda. So, any sovereign state which thinks that its future lies on power from a foreign country is misguided. Since it is now very clear that Kenya has got unlimited potential from a thermal source of power in the Rift Valley, that source should be developed before this Government thinks of importing power from other countries.

The problem with this Government is bad governance and, therefore, they have been unable to attract foreign investments and be given foreign aid. That is why they have lagged behind in the development of the power sector and, therefore, they are now thinking of importing power from elsewhere as a stop-gap measure. The Government must immediately put its act together! It must fulfil all the conditionalities which donors have demanded and ensure that there is good governance in order to attract foreign investments into this country.

Mr. Temporary Deputy Speaker, Sir, while we support this Motion, we must call upon the Government to very quickly come up with a regulatory regime which will take care of these projects when they are started, so that the standards are kept, and the people do not just start projects and later on they become a danger life.

Mr. Temporary Deputy Speaker, Sir, in my own district, when visitors come from New Zealand, they tell us that in their own country, even one person can produce power for himself. It means that with the technology available, the Government should concentrate on that area so that power is made available to every Kenyan.

If we look at the present set-up, the Kenyan Government is supplying power selectively to areas which are politically-correct. That practice must be discouraged. Even before this Act comes into operation, and even before these projects come to realization, we call upon this Government to come up with a policy of putting power where it is required most so that power by itself can enhance development. Power should never be used only for political needs.

With those remarks, I support the Motion.

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, in supporting the Motion as amended, I want to make a few remarks. It is a big mistake to make power generation a monopoly. Power is a commodity that is used countrywide, and when it is made a monopoly, as it has been up to now, it is inefficient because monopolies are inefficient and are prone to the abuse of customers. If you look at what is happening now, although KenGen has been given powers of power generation and the KPLC the power of distribution, the two still work as monopolies in their own areas. In generating power on a large scale which we have seen hitherto, the big power plants are concentrated on the eastern side of Mt. Kenya. Yes, they have helped this country up to now, but it is a sad situation because when rain fails on those parts, then the whole country is affected. That is one reason why we should not have these big plants which cost the nation huge amounts of money to construct, and which are concentrated in one part of the country. If something bad was to happen in upper Tana today; if there was some landslide and some huge volume of silt were to move, all those power plants down the Tana River would be destroyed. So, we have to break this monopoly in the power sector.

Mr. Temporary Deputy Speaker, Sir, monopoly in the location of power projects is sour because of what I have said. If, right at the beginning, we had distributed these power plants to the Western Kenya region; the area around the lake; the thing which we are now doing at Sondu Miriu ought to have been done many years ago. What we are saying is, we should allow individuals to start the construction of power plants in those areas where there are rivers which are permanent and where the rain has got a more permanent pattern, and the topography allows rivers to be used for power generation. If you look at the Yala River and the rivers flowing from the Nandi Hills down to the lake, you will see that all those rivers are suitable for power generation. If you look at River Nzoia before it descends towards Webuye, you could easily put up a power plant there. So, there are many suitable areas for power generation. I am saying that we should decentralise power generation from KenGen control. We should also not concentrate hydro-electric power plants in one area. We should move to other areas and allow different companies to put up power plants.

We brought in the Independent Power Producers (IPPs) and it was a disaster. I do not know why this nation's resources were used to pay those IPP generators. They were very inefficient. They were using jet turbines which consumed a lot of fuel. That is why the cost of energy went up. That is why Kenyans are paying very expensively because we are using IPP generators. Maybe, people have got a vested interest in those companies. That is why I support this Motion, and I hope that we shall amend both the Electric Power Distribution Act and the Power Generation Act.

Mr. Temporary Deputy Speaker, Sir, on power distribution, the monopoly given to the Kenya Power and Lighting Company (KPLC) has become a disaster. Why is that? When you have a national grid, when something

goes wrong in Kindaruma, the whole nation is switched off. If something goes wrong with the power line from Uganda, the whole nation is switched off. But if we have localised independent power generators controlled by the Government--- The Government should only become a regulatory agent. The KPLC and KenGen should sell shares and the independent power generators should start generating power.

As I said earlier, the KPLC, being a monopoly of power distribution, has become a disaster. Have we audited the amount of money the KPLC has collected from Kenyans at 10 per cent? Whenever Kenyans apply for electricity to be taken to a point, they are told to pay 10 per cent. Ministers have stood here and told us that, that money is meant for survey. Survey is not what is in that form! That form shows a 10 per cent down-payment, and 90 per cent would come from the Ministry of Energy. The Ministry of Energy collects funds which are levied on Kenyan electricity consumers at 5 per cent. There is a 5 per cent levy on every kilowatt of power consumed. That money goes to the Ministry of Energy. Nobody has asked the KPLC how much it has collected from Kenyans in the form of 10 per cent. The Minister says that, that money was meant for surveying. That is not the issue. People can pay the surveyors. So, when the Minister stands up to reply, we want to know how much money the KPLC has collected from Kenyans in the form of 10 per cent deposit. In my own district and constituency, it amounts to several million shillings. It cannot be less than Kshs40 million! Where is that money? Where is the interest earned? Who is keeping that money? Why are we allowing the KPLC to exploit Kenyans openly?

Mr. Temporary Deputy Speaker, Sir, one thing that the KPLC has done, and I do not know why nobody is challenging it, is to allow certain politically-correct individuals to buy their own transformers from ABB or whoever manufactures them. I have seen one written "ABB, Arusha, Tanzania". So, if one or two individuals could buy their own transformers, why not allow other Kenyans to buy transformers and hire registered electrical contractors to install them and erect power lines to supply other consumers?

There is something seriously wrong with the Electric Power Act as it stands now. It is an organ which allows the KPLC to exploit Kenyan consumers and take our 10 per cent without accounting for it!

Mr. Kihoro: Thank you, Mr. Temporary Deputy Speaker, Sir. I was starting to wonder whether the older Members of the House should speak first, and the younger Members speak last! But thank you for giving me this opportunity.

This subject is not new in this House. Last year, we had a Motion that was moved by Mr. Mbela on the question of rural electrification in this country. During the contribution by the former Minister for Energy, Dr. Masakhalia, it was stated that only 8 per cent of Kenyans are connected to electricity supply. The then Minister also stated that only 800 megawatts of electricity was generated in the country. That is a very sad matter, that, at this time and age, only 8 per cent of Kenyans are connected to electricity supply. This Government that still has certain intentions to industrialise this country has got a lot to answer; that in a population of 30 million people, we only have about 3 million Kenyans who can claim to be connected to electricity. Half of the Nairobi population lives in darkness and that is why we have names like Korogocho. It is important that this Government wakes up to what is happening around the world, and live up to that promise of industrialising the country by the year 2020. I believe the Government is not going to do that on horsepower, but it is going to do it on power that is generated in this country. So, it is very important that this Government intensifies its efforts to generate more power in this country.

I do not subscribe to more power being imported from South Africa, which is more than 2,000 miles away, when we have got natural sources of power in this country. We have sources like wind, sea waves, solar energy, biomass, thermal energy and hydro-electric power. We have over-emphasised hydro-electric power generation in this country, but power is power, except political power! It is important that we also exploit all the other natural sources of power that we have in this country, so that we can supply more of our people with electricity.

Mr. Temporary Deputy Speaker, Sir, if you look at the amount of time that is lost in this country, from sunrise to sundown, it is a lot. If you look at what happened to our people as they tried to open up and dilate their eyes into the night to be able to read using hurricane lamps, candles and other unacceptable forms of lighting, it has spin-off effects on the failure of this Government to generate power that is supposed to be generated 38 years after Independence. We need power in our schools and hospitals. It is incredible that even operations can be done in this country without a good supply of electricity.

Mr. Temporary Deputy Speaker, Sir, there should be no objection to importing more power from Uganda. Currently, Kenya is importing about 60 megawatts of power from Uganda. I know that Uganda has been increasing its capacity to generate more power. There is no reason why we cannot solidify the East African Community by increasing our power import from Uganda, where they have got a better comparative advantage. That is acceptable, but not importing power from South Africa, which is 2,000 miles away.

Mr. Temporary Deputy Speaker, Sir, I am happy that today, the Minister for Energy, Mr. Raila, who is a former detainee, did not talk about importing power from the South African power grid. We can import it from Pangani Falls in Tanzania, and from Uganda, and we can even generate more power in our country. Just because there

is bit of good wind blowing from South Africa, we do not have to rely on their power. Let us generate power here because it will provide employment opportunities to our people. Those people who will man these generating power plants will be in full-time employment. Let us start thinking about Kenyans. We have got the capacity to create employment opportunities for them if we generate power here. Eventually, the resources, wealth and profit will remain in this country.

When we generate this power, let us remember the local people. These are people who live in proximity to the points where power is generated. Three megawatts of power is generated in my constituency, at Sagana. It is incredible that power can be transmitted 100 miles away, but the local people stay in darkness. As we generate this power, it is important to think not just about those people who live far away, but also those who live next to the generation points. Well, those who live far might have the purchasing power, but that does not entitle them to see at night, when other people live in darkness. I have already written to the Minister for Energy. I will write a second letter to his counterpart, Mr. Okemo, requesting that the Ministry thinks about these people who live in darkness as power is generated in their own local areas. It is important that we show that magnanimity because, tomorrow, these people might be incited not to allow that power to be transmitted from where it is generated. It is important to show our magnanimity and ensure that this power is used for residential purposes by the local people, particularly those who live within a radius of two kilometres from where it is being generated. That will be most welcome.

Mr. Temporary Deputy Speaker, Sir, I support the question of wind-power generation in this country. We can generate power from wind because points have already been identified. It is a very important alternative. Wind-driven energy is very inexpensive. I know people have been allowed to import generators duty-free in this country. However, we will have to import oil in order to run these generators. Therefore, it is important that we use the cheapest possible forms of power generation. The Ministry of Energy is headed by very respectable Ministers. They should emphasise the aspect of being thrifty, prudent, farsighted and also think about the future because the future is more important than any one of us.

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

Mr. Twaha: Asante sana, Bw. Naibu Spika wa Muda, kwa kunipa nafasi nichangie Hoja hii kuhusu viwanda vidogo vya kutengeneza umeme mashambani.

Kwa vile wakati hauniruhusu kusema mengi kuhusu Hoja hii, nitamuuliza Waziri na Serikali kwa jumla, kuhakikisha ya kwamba mafuta yanayotumika katika mitambo ya kutenengeza umeme hayatozwi ushuru au kodi nyingine yoyote, hasa mafuta yatakayotumiwa na wananchi katika mitambo yao.

Jambo la pili ni kuhusu DDC ya Wilaya ya Lamu. Ilipendekeza sehemu ya Kashmiri na Matondoni kufaidika kutokana na mradi wa stima za mashambani. Lakini mpaka leo, hakuna hatua yoyote Wizara imechukua kuhakikisha ya kwamba wananchi wa sehemu hizo wamepata umeme. Nitamuuliza Bw. Waziri achunguze mambo haya ili wananchi wa Kashmiri na Matondoni wapate umeme.

Wakuu wa KenGen waliomba ardhi kutoka DDC ya Lamu ili waanzishe mradi mkubwa wa kuweka umeme kutoka Mokowe mpaka Garsen ili wananchi wa sehemu hiyo wafaidike na mradi huo. Tayari walipata ardhi, lakini mpaka leo hawajafanya lolote. Ninahimiza Serikali kuhakikisha ya kwamba mradi huo wa KenGen uliokusudiwa kuleta umeme katika sehemu ya Mokowe mpaka Garsen umetekelezwa.

Bw. Naibu Spika wa Muda, kwa hayo machache, ninaunga mkono Hoja hii.

Mr. Mkalla: Mr. Temporary Deputy Speaker, Sir, thank you for giving me the opportunity to contribute to this very important Motion. I do support this Motion because it will remove the monopoly of the KPLC of providing electricity in this country. It will enable us to have good competition. Competition will create better services for this country. If the Government implements this Motion, the cost of power will be cheaper. So, it is a very welcome move by the hon. Member.

Mr. Temporary Deputy Speaker, Sir, this Motion is in line with the current Poverty Reduction Strategy Paper (PRSP) because it will encourage direct foreign investment. It will also help industrialisation in this country. By so doing, we will create more employment opportunities, which will reduce poverty in this country.

This country produces a lot of fruits, fish and milk. All these products require cold storage facilities. These facilities are non-existent in the rural areas because of lack of electricity. If these facilities were available in the rural areas, then our food would never go bad. It will be a very good way of preserving food in the rural areas. It will also spur economic growth in this country. Certainly, it will encourage high quality export products which will lead to high earnings of foreign exchange.

Mr. Temporary Deputy Speaker, Sir, the provision of power is very essential today. Most schools in the rural areas do not have electricity. You will find that students in the rural areas sit for the same examinations like their counterparts in the urban centres. However, students in rural areas do not have electricity to study at night. Probably, they use lanterns or *koroboi* at night, which are very smoky and not good for study.

Mr. Temporary Deputy Speaker, Sir, some hospitals and dispensaries in the rural areas have drugs which

require some cold storage facilities. If they have to be stored well, there must be electricity. The provision of electricity in the rural areas will also reduce the cost of education. Most students in those areas travel to towns where there are well-equipped laboratories for scientific experiments. They do not have laboratories in their schools because of lack of electricity. They travel from the rural areas to urban areas where there are good facilities. I think that is very costly for a poor parent in rural areas.

Mr. Temporary Deputy Speaker, Sir, I fully support this Motion because, if implemented, it will go a long way in assisting our population in the rural areas. This Motion will have a direct bearing on the poverty reduction in this country. I think it is important for all of us to support this Motion so that students in rural areas access quality education.

Mr. Temporary Deputy Speaker, Sir, I fully support the Motion.

The Temporary Deputy Speaker (Mr. Musila): It is now time to call upon the Mover of the Motion to reply.

Capt. Ntwiga: Mr. Temporary Deputy Speaker, Sir, I will, first of all, thank the Minister for Energy, Mr. Raila Odinga, who is also my Secretary-General in the ruling party, KANU, and all the hon. Members who have supported this Motion. I am very grateful to this House because there is no hon. Member who has opposed the Motion as amended. As I said the other day, this is the first time an hon. Member from Nithi has brought a Motion before this House.

Mr. Temporary Deputy Speaker, Sir, the Minister has committed himself before the House to introduce the appropriate amendments to the Electric Power Act to allow for full liberalisation of power generation, transmission and distribution. So, I urge the Minister to introduce the amendments before this House urgently. Micro-hydroelectric power projects will be very beneficial to the rural folk. Let it not be that the Minister was just trying to please the House by saying that he would introduce the amendments to the Act. He should bring the amendments before the House urgently. We need to have the Electric Power Act amended.

Every hon. Member yearns for five things, namely, electricity, health, water, roads and education for his or her people. The electricity aspect, therefore, is very important to all of us in this House. Among the five things I have mentioned, electricity is very vital for the industrialisation of this country. For a very long time, the Kenya Power and Lighting Company has been a monopoly in terms of electric power generation and distribution. It is, therefore, high time that the monopoly being enjoyed by the Kenya Power and Lighting Company was scrapped completely.

As we all know, the electric power sector is the only sector which is currently not delivering in the country. Since the liberalisation of the telecommunications sector, Kenyans have been enjoying telecommunications. People have mobile telephones all over the country. The electric power sector is not delivering because it has not been liberalised. Liberalisation of this sector will create a lot of competition between the Government and players in the private sector. Companies, missionaries and individuals would undertake power generation and distribution. I also have maps of places where I can start micro-electricity generation plants. I have prepared for my constituents a poverty reduction strategy document, based on the Government Poverty Reduction Strategy Paper. One of the ways of reducing poverty is to start some power projects in my constituency, so that people can start *jua kali* workshops and micro-irrigation projects. That way, our people can benefit from liberalisation of the power sector.

The Minister should, therefore, borrow a leaf from me. Vision must start from hon. Members' constituencies. As I said, the monopoly enjoyed by the Kenya Power and Lighting Company must be got rid of immediately. The time to do so is now. For the information of the House, I am not going to stop at this point. If the Minister fails to introduce the amendments he has promised to the Electric Power Act in time, I will certainly come back to this House with a similar Motion very soon. However, since we are colleagues on this side of the House, I do not expect him to let me down.

Mr. Temporary Deputy Speaker, Sir, in the Budget Speech which was read here the other day, we were told about importation of electricity from Southern African and East African countries and so on. I do not agree with one of the hon. Members who said that there is some comparative advantage of importing electricity from East African countries because that comparative advantage would be less than if we were to produce electricity locally, within our country. This is because the multiplier effects would be much more if we generated electricity, because we would create employment for our people, have micro-irrigation projects around that area of generation, and have adequate water supply, using the same electricity in the surrounding areas. So, we shall have more comparative advantages by generating it here than importing electricity. I am not ruling out the fact that we should do it completely, but let us consider helping our people to come out of this cocoon of poverty.

Mr. Temporary Deputy Speaker, Sir, let the Government be a supervisory and regulatory body only because of the fact that the Government must come in to assist. In order to guard against misuse of the same by individuals, let the Government be a regulatory body, and be a supervisory body only during the generation of the same.

Mr. Temporary Deputy Speaker, Sir, I have accepted this amendment because the Minister has urged the House to introduce a complete overhaul of the liberalisation, generation and transmission of power, including in the

field of wind energy.

Mr. Temporary Deputy Speaker, Sir, therefore, I do not intend to talk much because hon. Members have said a lot. For that matter, I, therefore, wish to move.

*(Question of the Motion as amended
put and agreed to)*

Resolved accordingly:

THAT this House urges the Government to urgently introduce appropriate amendments to The Electric Power Act to allow for full liberalisation of power generation, transmission and distribution.

INTRODUCTION OF POLITICAL PARTIES FUND BILL

Mr. Kombo: Mr. Temporary Deputy Speaker, Sir, I beg to move the following Motion:-

THAT, in view of the need to enhance multiparty democracy in this country; and realising that most political parties are faced with serious organisational, management and financial crises, this House do grant leave to introduce a Bill for an Act of Parliament entitled The Political Parties Fund Bill to provide for public funding of parliamentary political parties.

Mr. Temporary Deputy Speaker, Sir, this Motion is extremely urgent. Since 1993, Motions have been passed in this House urging the Government to introduce an Act of Parliament that would ensure the funding of political parties. Hon. Raila Odinga, hon. Obwocha and hon. Kibaki have moved such Motions. So, the House has been urging the Government to fund political parties, but no action has been taken. It is for this reason that we thought we should seek leave of the House to introduce a Bill. We have worked for two years between political parties, including KANU, particularly represented by the Members of the New KANU, who were then in the National Development Party (NDP), and we do have a Bill ready. So I just hope that the House will give us leave and within another few days, we will have introduced the Bill.

Mr. Temporary Deputy Speaker, Sir, political parties are absolutely essential for democracy. Democracy ensures good governance, observance of the rule of law and respect for human rights. In all other forms of governments, it has been proven that where you have multiparty practice, democracy is appreciated and practised much more. Therefore, for us, as Kenyans, if we have accepted that democracy is the form of government that we are looking for, then we must ensure that multipartyism is strengthened. Political parties have a major role in this country because to be elected, whether to be a councillor or a Member of Parliament or President, you need to go through a political party. This has been recognised in our Constitution. If we have to recognise this, that means we are saying that political parties are the first line through which we can seize leadership. Quality leadership can be seized through political parties. If we have accepted that this first line is political parties, then we must make sure that the sealing is done properly. Weak political parties would mean that we do not do good sealing. It would mean we have weak leaders. If we have weak leaders, it means we will have a bad government. So, we need to empower political parties to play that role more effectively.

Mr. Temporary Deputy Speaker, Sir, Kenyans did shed blood when they were seeking for multipartyism. The struggle for the repeal of Section 2A was the basis of the second liberation. As you know, in the first liberation, we were fighting colonialism. In the second liberation, we were saying we were tired of the culture of one party. Under one party or the government by a single party, we had all sorts of problems. Kenyans could not walk or stop or associate freely unless they toed the line. In fact, it reached a stage where people were walking with barometers to measure who is more Nyayo than the other. Kenyans rejected this kind of system and shed blood in the second liberation. They said "no" to a government that was so dictatorial because of the one-party culture, and so they shed blood. When they were shedding that blood, I think they recognised the fact that they are prepared to pay. If they could pay with their blood, I believe Kenyans are ready to strengthen those political parties with their taxes. Today's political parties are extremely weak, especially those that have no means of using Government wealth. It is only the ruling party which has access to Government wealth. We can talk about the KICC and the fleet of cars that they drive around, but that will be left for another day. Let us just say that political parties today which have no access to Government coffers are virtually bankrupt. In fact, if they were businesses, one could easily have said that they would have already been put under receivership. They are weak. They have no resources at all.

Due to lack of resources, the management of those political parties is weak. They cannot mobilise grassroots support. Party supporters at the grassroots level need to be educated, and Kenyans accept political lessons. The civil society has come in to fill a vacuum because the political parties do not have the capacity to reach the grassroots. If political parties were able to reach the grassroots more effectively, I can assure you that the role of the civil society

would have been minimised. So, we want to strengthen these political parties so that they can be able to reach the grassroots and mobilise them, to be able to tell them about their rights more effectively. Nobody can tell Kenyans at the grassroots about their rights better than political parties. Due to lack of resources, today's political parties are forced to depend very much on personality cults. He who pays the piper calls the tune. So, political parties are forced to depend on people who have got heavy pockets and develop a cult around those people. This is not good for democracy or this country.

Due to this cult system, you will find that there is lack of internal democracy within the political parties because they depend very much on this one person who is "paying the piper". Therefore, they cannot effectively develop internal democracy. We must strengthen these parties. The question which then arises is: Is it not possible for political parties to depend on their membership, like in many other countries or developed democracies? The answer is simply this: With the rampant poverty in this country, where 56 per cent of Kenyans live below the poverty line, it is not possible to say we will rely on our membership because they do not have the money. They are struggling to live. It is just impossible for them to support their political parties. In order to move them out of that poverty, we need to have good governance systems that will act responsibly. As I said right from the beginning, for a government to act responsibly, it needs to be checked on and that is the role that multipartyism plays. In order to move Kenyans out of this poverty, we must find other ways of empowering political parties. Somewhere along the line, we have developed a culture of dependency. So, rather than strengthen his political party, a Kenyan would rather ask a politician to give him "something small". Our cultural issues also do affect us.

Mr. Temporary Deputy Speaker, Sir, again, the poor structures that I talked about mean that there is no capacity to make sure that one can go out on a serious fund-raising mission. Why then do we think that we need to fund political parties? Briefly, it is simply to say that Kenyans have tasted the bitter pill of one party, and they should never, ever, accept to go back to that system at all.

Secondly, it means that we shall remove the dependency from one person and also safeguard political parties from even going out to foreigners. These political parties may be forced to go and seek funding from the foreigners. That is not good. To boost that capacity, we are seeking now in this Motion - which is very well thought out, as I said - to give capacity to political parties.

With those few remarks, I beg to move, and I will ask my good friend, Mr. Kajwang, to second the Motion.

Mr. Kajwang: Thank you very much, Mr. Temporary Deputy Speaker, Sir. Kenya, according to our Constitution, is a multiparty democracy, but other than defining it as a multiparty democracy, there is nothing in the Constitution, nor in any other Act of Parliament, that strengthens or gives reality to the multipartyism of our system. It means that other than allowing parties to sponsor a candidate, we, as a country, are doing nothing to strengthen the movement of our parties as an institution which we think leads to better political organisation and peace, so that in countries which have developed multiparty democracies, they have gone out positively to strengthen that system because they know that, that is the foundation on which their country is based. So, if multipartyism is the foundation on which our country is built, then, we must invest in it. No country can hope that an institution will just grow if that country does not wish to invest in that institution.

In a country like Germany whose system I have studied, there is a provision in the Constitution which provides on how the parties will be funded and how the parties inside the House - parliamentary groups - will be funded from public coffers, and how the parties themselves will account for the monies so used. In fact, the civil society, especially the activist kind of NGOs that we have around, most of them are products or are funded by public money from those countries, which has been given to the parties so that those parties themselves may strengthen their institutions in their countries, but also share their ideology or the way they look at the systems in their country with other countries. So, you will find that American political parties, the Democratic Party and the Republican Party have their NGOs here, funded by the American taxpayers. The German parties have their NGOs here, funded by their own taxpayers.

An hon. Member: Give us examples!

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, I will give you examples of the NDI of America. It is funded by the American taxpayer. All the other German NGOs you see here - Friedrich Ebert Foundation and all the others - are funded by political parties. Every political party overseas has an NGO not only in Kenya, but all over the world, because they want to share the views of that political party with the world. It helps both the party and the country in the long run when the parties are funded from the public coffers, because what does it amount to if you do not? If you do not fund political parties, they become institutions owned by individuals who can fund them. In Kenya, for example, the heads of political parties are expected to look for funds from either their private sources or their friends so that the party can be organised at the branches and the headquarters level. Membership fee which is also paid by party members is also part of the funding, but is not adequate. If membership fees were adequate, then the countries I have just talked about--- Even the British have the Westminster Foundation, which is also funded by the taxpayers of

Britain, to help the parties to organise.

So, if parties are an institution which we think is good for the country, then we must put money in them so that they may be organised. Of course, there should be a criteria for funding. Some countries state that unless you have a certain number of hon. Members of Parliament in the House, you do not qualify for the money. In some countries, the Constitution states that unless you get a certain percentage of the votes cast in the last general election you do not qualify. In some countries they also say that if you have raised funds from other activities, then the amount of funds which you have raised will be doubled, or you will be given the public funds according to the money you have raised. You must show that you are a serious party, supported by your members.

Mr. Temporary Deputy Speaker, Sir, in Germany, recently, there was a problem with Kohl's party which is in the Opposition.

(A mobile phone rang)

The Temporary Deputy Speaker (Mr. Musila): Order! May the hon. Member with the mobile phone apologise to the House?

(Mr. M.M. Galgalo bowed to the Chair)

By the way, is it not you who apologised yesterday?

Mr. M.M. Galgalo: Yes, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Musila): For that reason, I order you out of the Chamber.

(Mr. M.M. Galgalo withdrew from the Chamber)

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, it is noted that some members may raise funds from private sources and hide the fact that they have raised that money. In Germany, for example, Kohl raised some amount of money which he did not disclose. Although he did not spend it privately; he used it for campaigns, it was illegal that he did not disclose it. Consequently, his party lost the public funds because of that offence of failure to disclose who paid that money to the party, how much it was, and how it was used. There are means of making sure that although you fund a party, that money is not used to enrich the leaders of those parties, but to help them to build democracy and political institutions for the benefit of the country. If we just talk of multipartyism and leave it at that, and not invest any money in it, then the consequence is that parties will not survive.

I beg to support.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Musila): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until this afternoon, at 2.30 p.m.

The House rose at 12.30 p.m.